

## Department of Public Works

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Commissioner of Public Works

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Asst. Comm. of Public Works/Operations

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City Engineer

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May 9, 2024

Alder Mollie Jones, Chair  
Public Works and Services Committee  
Racine, WI 53403

RE: Sole Source for the Purchase of Two 15,000 Gallon Fuel Tanks from Lannon Tanks

We are requesting that Lannon Tanks be utilized as the sole source for the purchase of two 15,000-gallon fuel tanks to be installed as part of the Fuel Depot renovation project.

The existing fuel depot facility's underground fuel storage tanks are beyond their 30-year service life and are not covered by any environmental liability insurance. The Common Council appropriated \$800,000 to replace these tanks with the proposed new, above ground tanks and associated piping and controls.

Because the manufacturer of these tanks is local, the City will get a much better price than if a formal bid was conducted, largely due to materials handling and transportation costs.

Staff recommends that these tanks be sole sourced to Lannon Tanks and that the Purchasing Agent be authorized to negotiate the purchase, procure, and enter into a contract with Lannon Tanks for the manufacture and delivery of two 15,000-gallon fuel tanks.

The purchase of these tanks will reduce the fuel depot's fuel capacity by 25%.

Funding to defray the cost of the project is available in Org Obj 45040 57110.

Sincerely,

Ron J. Pritzlaff  
Assistant Commissioner of Public Works