



So you want to buy a service station?

Read this first!

If you're considering buying a service station, a thorough inspection done by a trained expert is perhaps the single most important thing you can do before making the purchase. Not only is doing your "due diligence" important for potential buyers, it's also vital for sellers. As a buyer, an acquisition inspection can give you peace of mind that the station you're buying is safe and compliant with state and federal regulations. As a seller, a divestment inspection can help ensure a smooth sale by allowing you to remediate any problems, potentially increasing the value of your site. Regardless of whether you're the buyer or the seller, a professional inspection is just good business!

Bob Dee, Executive Vice President at Crompco, the nation's industry leader in compliance testing solutions for underground tank systems, claims there are six important points that every successful inspection should cover:

- 1) **Containment testing.** According to Dee, one of the hot topics in the regulatory community these days is verifying the integrity of tank sumps, under-dispenser containment sumps, and overspill containment buckets (spill buckets) at underground storage tank sites. These integral components of the tank system are the last line of defense against environmental contamination and are often the weakest structures due to their non-regulated status in many states.

- 2) **Leak Detection.** Leaks and problems associated with piping systems can undermine the safety and performance of viable storage tanks. Inspections of leak detectors can help maximize compliance, as well as avoid accidental loss of product leading to a potentially costly environmental hazards.
- 3) **Corrosion protection.** This is a vital inspection, as any metal components that routinely contain product require corrosion protection. Metal underground storage tanks, steel piping, and flex connectors that are in contact with the soil are susceptible to deterioration and corrosion, which can lead to catastrophic leaks and system failures.
- 4) **Spill prevention.** While inspection of the spill bucket is extremely important, Dee jokes that “it is probably the most used and abused piece of equipment on the tank field,” making its life span relatively short. Dee adds, “After about five years, spill buckets are usually in pretty poor condition and may have developed cracks or holes.” Maintaining the spill bucket is extremely important in order to contain any drips or spills that may occur during fuel delivery, thereby avoiding more costly cleanup from the surrounding soil.
- 5) **Overfill prevention.** Every regulated underground tank has some means of overfill protection to prevent a tank from being filled beyond capacity and fuel spilled over. While service stations are required to have at least one method of overfill prevention installed, it is common for some stations to have two or three methods installed as backup. Inspection of all existing overfill prevention methods is crucial to troubleshoot and, again, avoid expensive cleanup.
- 6) **Transferring of records.** When a buyer prepares to purchase a station, the importance of inspecting all previous business records should not be underestimated. Upon the actual sale, all documents, (including previous leak detection records, certificates of installation, registrations, previous test results, records of inspections, and records of modifications that have been conducted at the facility) should be transferred to the new owner. Be aware that if all previous paperwork is not transferred from the previous owner, the buyer is at risk of being fined by state inspectors.

Dee’s advice when buying or selling a station?– “Use good old fashioned common sense! Look around–if the station is not maintained above the ground, the odds are strong that it’s not well maintained below the ground as well, and that’s really where your liability is.” Dee’s final word of advice?–“Use a combination of gut-instinct and reliable data. The answers are there, you just have to know what to look for.”

Bob Dee, is the EVP of Sales & Marketing at Crompco and can be reached at bob.dee@crompco.com or toll free at 1-800-646-3161. Crompco is located in Plymouth Meeting, Pennsylvania and provides testing services in more than 30 states with unmatched levels of experience, service, and quality. Crompco's Due Diligence and Acquisition Assurance Service is designed to assist both buyers and sellers by providing unbiased, accurate, and timely information needed to make educated buying and selling decisions.