

**Approval of Two Year Bid for Propane Fuel  
November 10, 2009**

**SUMMARY:**

This item requests approval of Bid#091014-P for Propane Fuel. Bids were received from AmeriGas Propane and Northwest Propane.

**BOARD GOAL:**

**IV. Growth and Change...In pursuit of excellence, the district will:** a. review and adjust policies and procedures effectively to address the challenges of rapid growth and changing demographic characteristics while maintaining and enhancing our strong sense of community.

**PREVIOUS BOARD ACTION:**

The previous two year bid was approved on November 13, 2007.

**BACKGROUND INFORMATION:**

While the district is not required to bid fuel per Ed. Code Chapter 44.031, quoting each fuel purchase has become very tedious. It was decided that by bidding a constant fuel price per gallon over the Fuel Index Price per gallon, the district would save an enormous amount of time, and cut out excessive price increases.

The propane bid is for a term of two years because the propane market receives a better constant for a longer contract. The term, upon Governing Body approval, will run from December 1, 2009 through November 30 2011.

Northwest Propane bid a constant of \$0.09776 and AmeriGas Propane bid \$0.21.

**SIGNIFICANT ISSUES:**

With fuel prices rising almost daily, locking in the constant will insure the best price for the district.

**FISCAL IMPLICATIONS:**

The fiscal implication is unknown due to the volatile fluctuation of the fuel market.

**BENEFIT OF ACTION:**

Passage will allow the transportation department to expedite fuel purchases at the price for that day.

**PROCEDURAL AND REPORTING IMPLICATIONS:**

None

**PUBLIC COMMENT RECEIVED:**

None

**ALTERNATIVES:**

The alternative will be to continue to request prices by quotation.

**OTHER COMMENTS:**

None

**SUPERINTENDENT'S RECOMMENDATION:**

It is recommended that the low bid submitted by Northwest Propane be accepted for one term of two years.

**STAFF PERSONS RESPONSIBLE:**

Kathy Arrington, Purchasing Agent  
Alyce Hamman, Purchasing Buyer  
Gene Holloway, Director of Transportation  
Debbie Monschke, Executive Director of Budget and Finance

**ATTACHMENT:**

Bid Tabulation

**APPROVAL:**

Signature of Staff Member Proposing Recommendation: \_\_\_\_\_

Comments: \_\_\_\_\_

Signature of Divisional Leader: \_\_\_\_\_

Comments: \_\_\_\_\_

Signature of Superintendent: \_\_\_\_\_

Comments: \_\_\_\_\_