

Propane Fuel CSP 131030-P

November 12, 2013

SUMMARY:

This item requests approval of CSP 131030-P for Propane Fuel.

BOARD GOAL:

VI. Growth, Change & Fiscal Responsibility... demonstrate effective and efficient management of district resources.

PREVIOUS BOARD ACTION:

The previous two year proposal was approved on October 25, 2011.

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 proposal 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, 2013 through November 30 2015.

Amerigas proposed a constant of \$0.19 with an estimated total of \$814,500 for the year, Ferrell Gas submitted a constant of \$0.25 with an estimated total of \$856,260 and Northwest Propane submitted \$0.09776 with a total of \$761,556 for the year. Martin Eagle Oil submitted a No Bid.

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.

ALTERNATIVES:

The alternative will be to continue to request prices by quotation

SUPERINTENDENT'S RECOMMENDATION:

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

STAFF PERSONS RESPONSIBLE:

Kathy Arrington, Purchasing Agent
Alyce Hamman, Purchasing Buyer
Aaron Robbins, Director of Transportation
Debbie Monschke, Assistant Superintendent of Administrative Services

ATTACHMENT:

Proposal Tabulation and Ranking

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Comments: _____

Signature of Divisional Leader: _____

Comments: _____

Signature of Superintendent: _____

Comments: _____