

**Two Year Bid for Propane Fuel
November 13, 2007**

SUMMARY:

- This item requests approval of Bid 071011 for Propane Fuel. Bids were received from AmeriGas Propane, Ferrell Gas and Northwest Propane.

PREVIOUS BOARD ACTION:

- The previous two year bid was approved on September 27, 2005.

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.

SIGNIFICANT ISSUES:

- With fuel prices rising almost daily, locking in the constant will insure the best price for the district.
- Propane bid is for a term of two years because the propane market receives a better constant for a longer contract. The term will run from the date of Governing Body approval through November 30, 2009.

FISCAL IMPLICATIONS:

- Northwest Propane bid a constant of \$0.1024, AmeriGas bid \$0.125 and Ferrellgas bid \$0.135
- 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
- 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: _____