CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: **General Services**

AGENDA DATE: **April 24, 2012**

CONTACT PERSON/PHONE: **Stuart Ed, General Services Director, 621-6822**
Bruce D. Collins, Purchasing Manager, 541-4313

DISTRICT (S) AFFECTED: ALL

SUBJECT:
Solicitation No. 2012-152, Off-Site Vehicle Propane Fueling Services

Discussion and action that the Purchasing Manager, Financial Services, Purchasing Division, be authorized to issue a Purchase Order(s) to Heritage Operating LP dba Denman Propane effective the date of the award for an initial term of three (3) years with a two (2) year option to renew at the sole discretion of the City. The estimated annual expenditures are $291,000.00 with an estimated total expenditure over the initial three year term of $873,000.00.

BACKGROUND / DISCUSSION:
This was a low bid solicitation and Heritage Operating LP dba Denman Propane is being recommended based on submitting the lowest price for the propane fueling services required. The City has just acquired 25 new vans intended for daily use that will require propane as their main source of fuel. Approving this contract would permit continual use of the vehicles allowing each department to fulfill their mission. Local business is being supported.

PRIOR COUNCIL ACTION:
N/A

SELECTION SUMMARY:
This solicitation was advertised on January 31, 2012 and February 7, 2012, and opened on February 29, 2012. On January 31, 2012 bid notification postcards were mailed out, the solicitation was posted on the City's website and the email (Purmail) notification was sent out. Eleven (11) local bidders were solicited and one local bidder responded.

AMOUNT AND SOURCE OF FUNDING:

Department:	General Services
Amount:	$873,000.00 (3 years)
Funds Available:	Dept # 37370510 – Acct # 503124 – Fund # 45202
Funds Source:	General Services – Internal Service Fund

BOARD / COMMISSION ACTION:
N/A

**********AUTHORIZATION**********

DEPARTMENT HEAD:

_____
Stuart Ed, General Services Director

COUNCIL PROJECT FORM
(REQUIREMENTS OR BEST VALUE BID)

**********POSTING LANGUAGE BELOW**********

Please place the following item on the **REGULAR** agenda for the Council Meeting of **APRIL 24, 2012.**

Discussion and action on the award of Solicitation No. 2012-152 (Off-Site Vehicle Propane Fueling Services) to Heritage Operating LP dba Denman Propane for an initial term estimated award of $873,000.00.

Department:	General Services
Award to:	Heritage Operating LP dba Denman Propane El Paso, TX
Item(s):	All
Initial Term:	3 years
Option to Extend:	2 years
Payment Terms:	N30
Annual Estimated Award:	$291,000.00
Initial Term Estimated Award:	$873,000.00 (3 years)
Total Estimated Award:	$1,455,000.00 (5 years)
Account No.:	37370510 – 503124 – 45202
Funding Source:	Internal Service Fund – Fuel Inventory Purchases
District(s):	All

This is a low bid, service contract.

The Financial Services - Purchasing Division and General Services recommend award as indicated to Heritage Operating LP dba Denman Propane, the lowest responsive, responsible bidder.

**********ADDITIONAL INFO BELOW**********

CITY OF EL PASO
BID TABULATION FORM

El Paso All-American City 2010

Bid Opening Date: February 29, 2012
Project Name: Off-Site Vehicle Propane Fueling Services Re-Bid

Solicitation: 2012-152
Department: General Services

ITEM	DESCRIPTION	HERITAGE dba DENMAN PROPANE EL PASO, TX	U-HAUL INTERNATIONAL GRAND PRAIRIE, TX		
1.	PROPANE FUEL	EST. ANNUAL USAGE GALS. 150,000.00	EST. ANNUAL USAGE GALS. 150,000.00	EST. ANNUAL USAGE GALS. 150,000.00	EST. ANNUAL USAGE GALS. 150,000.00
VENDOR'S POSTED TERMINAL PRICE PER GALLON		$1.56	$1.90	$0.00	$0.00
VENDOR'S CONSTANT PER GALLON (Shall remain fixed for the term of contract)		$0.38	$0.99	$0.00	$0.00
VENDOR'S SELLING PRICE PER GALLON		$1.94	$2.89	$0.00	$0.00
TOTAL $ SELLING PRICE PER GALLON X ESTIMATED USAGE		$291,000.00	$433,500.00	$0.00	$0.00
THE CITY AT ITS SOLE DISCRETION, MAY EXERCISE ANY OPTION TO EXTEND THE TERM OF THE AGREEMENT, BY GIVING THE CONTRACTOR WRITTEN NOTICE WITHIN THE TIME PERIOD NOTED ON THE SELECTED OPTIONS.					
BIDDER OFFERS THE CITY THE OPTION OF EXTENDING THE TERM OF THE CONTRACT FOR:					
ONE ADDITIONAL YEAR AT THE SAME UNIT PRICE(S), IF THE OPTION IS EXERCISED PRIOR TO THE EXPIRATION OF THE ORIGINAL TERM OF THE CONTRACT:		☐	X	☐	☐
TWO ADDITIONAL YEARS AT THE SAME UNIT PRICE(S), IF THE OPTION IS EXERCISED PRIOR TO THE EXPIRATION OF THE ORIGINAL TERM OF THE CONTRACT:		X	☐	☐	☐
NO OPTION OFFERED.		☐	☐	☐	☐
PAYMENT TERMS:		NET 30 DAYS	NET 30 DAYS		
BIDDER AGREES TO ACCEPT PAYMENT BY PROCUREMENT CARD:		YES ☐ NO X	YES X NO ☐	YES ☐ NO ☐	YES ☐ NO ☐

BIDS SOLICITED: 13 **BIDS RECEIVED: 02** **BIDS LOCAL: 11** **NO BIDS: 0**

NOTE: The information contained in this bid tabulation is for information only and does not constitute actual award/execution of contract.

APPROVED BY: Gema Wood

DATE: 3/1/12

Denman Propane
5524 El Paso Drive
El Paso, Texas 79905
915-772-1404

Flores Gas Co.
11554 North Loop Dr.
Socorro, Texas 79927
915-851-3692

U-HAUL Co.
6335 N. Mesa
El Paso, Texas 79912
915-584-5408

Ferrellgas
468 Thunder Bluff Pl
El Paso, Texas 79928
575-373-0392

U-HAUL Corporate Sales
920 MacArthur Blvd.
Grand Prairie, Texas 75050
800-969-7823
Cory_kerbo@uhaul.com

Amerigas
6820 Industrial Ave.
El Paso, Texas 79915
888-379-1546

Servigas / Ikard & Newsom
6319 Doniphan Dr.
El Paso, Texas 79932
915-585-1177

U-HAUL Co.
8450 Montana
El Paso, Texas 79925
915-772-1860

Servigas / Ikard & Newsom
13307 Montana Ave.
El Paso, Texas 79938
915-858-8800

Bob's Propane
10289 Dyer St.
El Paso, Texas 79924
915-755-3111

U-HAUL Co.
8833 Dyer
El Paso, Texas 79904
915-751-1263

U-HAUL Co.
5605 E. Paisano
El Paso, Texas 79925
915-779-6613

Northeast Propane
10414 Dyer St.
El Paso, Texas 79924
915-821-2116