



**Purchasing Supply Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 36  
AGENDA DATE: Thu 01/13/2005  
PAGE: 1 of 2**

**SUBJECT:** Authorize execution of a 12-month supply agreement with WEBBERVILLE PROPANE, INC., Manor, TX, for liquid propane gas fuel in an amount not to exceed \$587,112, with three 12-month extension options in an amount not to exceed \$587,112 per extension option, for a total agreement amount not to exceed \$2,348,448.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$440,334 is available in the Fiscal Year 2004-2005 Approved Operating Budget of the Financial and Administrative Services Department, Fleet Fund. Funding for the remaining three months of the original contract period and extension options is contingent upon available funding in future budgets.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

<b>REQUESTING</b> Purchasing	<b>DIRECTOR'S</b>
<b>DEPARTMENT:</b> for Financial and	<b>AUTHORIZATION:</b> <u>Vickie Schubert</u>
Administrative Services -	
Fleet Services;	

**FOR MORE INFORMATION CONTACT:** Rick Fudge, Supervising Senior Buyer/974-2033

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** N/A

**PURCHASING:** Lowest bid of four bids received.

**MBE / WBE:** This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

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This contract is for the supply of liquid propane gas fuel (LPG) for various light duty bi-fuel vehicles in the City's fleet that are equipped to operate on either gasoline or LPG. LPG fuel is a much cleaner burning fuel than gasoline. The City will reduce air emissions by using LPG in these vehicles. The City has LPG fueling capabilities at eight locations in Austin.

In addition, Fleet Services is now supplying LPG to the vendor at Austin-Bergstrom International Airport that provides shuttle services on airport property. LPG powers the shuttle vans used to carry passengers to and from parking areas to the main gates.

It is estimated that the City will purchase approximately 600,000 gallons of LPG annually under this contract at an average unit price of \$1.00 per gallon. The price per gallon is established on a weekly basis. The City pays the index price plus the vendor's firm-fixed differential per gallon. The index price is defined as the per-gallon price of propane as shown in the Butane Propane News' Weekly Propane Newsletter under the Mont Belvieu Average shown in the Propane Prices Update column. This price is updated every Thursday.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0



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**BID TABULATION**

Liquid Propane Gas Fuel  
IFB No. RF05100008

<b><u>Vendor</u></b>	<b><u>Total Price</u></b>
<b>Webberville Propane, Inc. Manor, Texas</b>	<b>\$587,112.00</b>
Ferrell Gas LP Austin, Texas	\$594,702.00
E.O. Sharp Butane Co., Inc. Austin, Texas	\$602,352.00
Northwest Propane Gas Co. Dallas, Texas	\$620,133.90

A complete bid tabulation is available from the Purchasing Office.

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Nine solicitations were issued. There are no known MBE/WBEs available for this commodity. Four bids were received.
- c. The current pricing represents an approximate 8% decrease from the last contract award in February 2002.

**APPROVAL JUSTIFICATION**

- a. Low bidder.
- b. Fleet Services concurs with recommended award.
- c. Advertised in the Austin American-Statesman and the Internet.