

Blue Sheet No. 20160337	Lee County Board Of County Commissioners Agenda Item Report Meeting Date: 6/21/2016	Item No. 31
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TITLE:

Approve annual purchase of propane for Lee Tran

ACTION REQUESTED:

Approve Piggyback No. PB160254 to utilize pricing on the School District of Lee County's Contract No. C157219JM, which went through its competitive bidding process, for the purchase of liquid petroleum gas for Lee Tran vehicles and facility from Amerigas Propane d/b/a Balgas, at the unit cost established by the contract (Attachment 2) and as approved in the department's annual adopted budget. The term of the contract is through April 27, 2017 with the option to renew for one additional one-year period; approval is also requested to continue to piggyback on the contract should the School District exercise the renewal option.

FUNDING:

\$400,000; Enterprise Fund Included in Budget

N/A

Independent Division, ADA Paratransit Service, Transit Operating, KI5440148600 505210.08 Fuel & Lubricants, Operations

WHAT ACTION ACCOMPLISHES:

Allows Lee County to piggyback on the School District of Lee County's contract with Amerigas Propane d/b/a Balgas, which went through their competitive bidding process, for the annual purchase of propane for use in Lee Tran vehicles and facility as approved in the department's annual adopted budget. The combined purchase of both the School Board and the County provides for improved pricing based on economy of scale. The term of the contract is through April 27, 2017 with the option to renew for one additional one-year period. Authority is also requested to continue to piggyback on the contract should the School District exercise the renewal option.

MANAGEMENT RECOMMENDATION:

Approve.

Requirement/Purpose: (specify)	Request Initiated
<input type="checkbox"/> Statute <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Admin Code AC-4-4 <input type="checkbox"/> Other	Commissioner: Department: TRANSIT Division: No Divisions By: Steve Myers

Background:

Lee Tran has experienced a recent increase in its use of propane due to more of the vehicles in its fleet being liquid petroleum gas powered. On March 2, 2016, the Division of Procurement Management received a request from Lee Tran to obtain Board approval to utilize pricing on The School District of Lee County's Contract No. C157219JM, Liquid Petroleum Gas, from Amerigas Propane d/b/a Balgas, for the

Required Review:					
Steve Myers	Anne Henkel	Mary Tucker	Corris L. McIntosh Jr.	Peter Winton	David Harner
TRANSIT	Budget Analyst	Purchasing	County Attorney	Budget Services	County Manager

annual purchase of propane for use in its vehicles and facility at an annual estimated expenditure amount of \$400,000.

The unit cost of \$1.2255 per gallon (delivered) for the gas is based on a firm mark-up of \$0.3398/gallon from the published base reference price from the Propane-Butane News (Alma, Georgia terminal market area). Because the School District's bid process was based on an annual spend that is equal to that of Lee Tran's, the awarded cost is competitive with that which Lee County would achieve were it to competitively bid this commodity. The term of the School District's contract is through April 27, 2017 with the option to renew for one additional one-year period. Authority is also requested to continue to piggyback on the contract should the School District exercise the renewal option.

Section 10.1 of the Lee County Purchasing Manual allows the County to utilize the bids of other government entities as long as the procurement has gone through their competitive bidding process.

- 1) School Board Action Awarding the Contract
- 2) School District of Lee County Contract No. C157219JM
- 3) Balgas Permission to Piggyback