

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: July 11, 2012

Board Item: V-A-4

**Tabulation of Bids for Propane for Denver Water's Outlying Facilities
Contract # 14119A**

Action by Consent

Action

Information

Denver Water purchases propane to heat 12 of its outlying facilities. Total annual usage for these facilities averages 70,000 gallons. The bid was divided into three schedules, each representing a different region in which these outlying facilities are located. Bidders were required to submit a total price per gallon comprised of two components: a raw material component based upon the U.S. Energy Information Administration propane cost, plus a fixed component for the bidder's overhead and profit. The contract allows for monthly price adjustments of the propane cost component. Bidders were also allowed the option to submit an alternative price adjustment methodology.

The Invitation for Bids was accessed by 17 potential bidders. Denver Water received 3 responses, 1 of which was from a SBE. The lowest and most responsive bid was submitted by Ferrellgas, whose bid price per gallon is 16% less than the current contract price, subject to quarterly adjustment.

Funds for propane are included in the 2012 and 2013 budgets under MPC 4AN0001.

Recommendation:

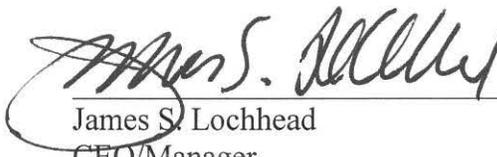
It is recommended that the Board authorize the award of Contract No. 14119A to Ferrellgas to furnish propane for Denver Water's outlying facilities for the contract period July 11, 2012, through June 30, 2013, for a total contract amount not to exceed \$105,000.00.

Approvals:

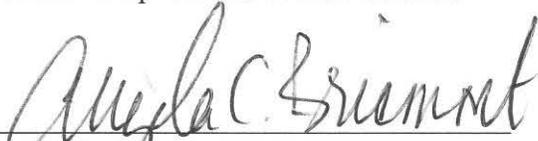
Respectfully submitted,



Thomas J. Roode
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James S. Lochhead
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Angela C. Brimont
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