

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: July 10, 2013

Board Item: V-A- 5

**Authorization of Additional Funds for Propane  
Contract # 14119A**

Action by Consent

Action

Information

Denver Water requires liquid propane to heat twelve of its outlying facilities; total annual usage for these facilities averages 70,000 gallons. Last year, the Board selected and entered into Contract No. 14119A with Ferrellgas to furnish propane for the contract period July 1, 2012 through June 30, 2013. The propane price is comprised of a material price, based on the U.S. Energy Information Administration price for wholesale propane, plus a fixed overhead/profit price of \$0.37 per gallon. The overhead/profit price was fixed for the first 12 months of the contract period; after evaluating the U.S. Energy Information Administration's wholesale propane price movement over the initial 12-month period, Denver Water and Ferrellgas have agreed upon a \$0.05 per gallon increase in the overhead/profit margin price.

Funds for propane are included in the 2013 and 2014 budgets under MPC 4AN0001.

Recommendation:

It is recommended that the Board authorize additional funds and new completion date for Contract No. 14119A with Ferrellgas, for the revised contract period of July 1, 2012 through June 30, 2014, for an additional contract amount of \$125,000.00, for a total contract amount not to exceed \$230,000.00.

**Approvals:**

Respectfully submitted,



Thomas J. Roode  
Director of Operations and Maintenance



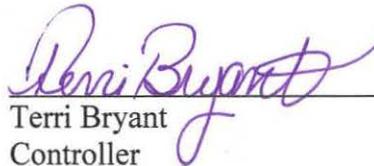
for

James S. Lochhead  
CEO/Manager



Angela C. Bricmont  
Director of Finance

for



Terri Bryant  
Controller