



# MEMORANDUM

January 17, 2014

TO:

Board of Mayor and Aldermen

FROM:

Eric S. Stuckey, City Administrator

Russell Truell, Assistant City Administrator / CFO

Lisa Clayton, Parks Director

Brian Wilcox, Purchasing Manager

SUBJECT:

Consideration of contract award to Heritage Propane of Franklin, TN in the estimated total amount of \$94,300 over a three-year initial term of award, with two options to extend the term of award for up to one year each, for propane fuel service for propane-powered Parks Department lawn mowers, and for fuel-type conversion of four Parks Department lawn mowers (Purchasing

Office Procurement Solicitation No. 2014-015; Contract No. 2014-0019)

### Purpose

The purpose of this procurement is to purchase propane fuel service for propane-powered Parks Department lawn mowers. The procurement also includes conversion of four lawn mowers in the Parks Department equipment fleet from gasoline-powered to propane-powered. The gradual conversion of the Parks Department fleet of lawn mowers from gasoline-powered to propane-powered is being pursued at this time in order to save fuel expense on a price per unit-of-operating-time basis, reduce carbon emissions and add longevity to the equipment.

The City published on November 14, 2013 a Notice to Proposers in the Williamson Herald for propane fuel service for lawn mowers. In addition, the request for proposals and companion solicitation documents were sent on or about the same date directly to five (5) potential proposers known or thought to be interested in this solicitation. Proposals from four (4) vendors were publicly opened at the proposal opening held on December 17. 2013. A tabulation of the proposals received for this solicitation is attached.

#### **Financial Impact**

The proposal ranked highest by the proposal evaluation team, from Heritage Propane of Franklin, TN is in the estimated total amount of \$94,300 over a three-year period, the term of award specified by the request for proposals, not including two options to extend the term of award for up to one year each. This estimated amount is for all of the specified products and services including both the recurring and non-recurring expenditures. The Parks Department budget allocates monies out of the General Fund for the purchase of fuel for all of the department's vehicles and equipment. The purchase of propane for lawn mowers in the initial program, and for any lawn mowers added to the program in the future, would be instead of the purchase of gasoline. The cost of converting the four specified lawn mowers from gasoline-powered to propane-powered would be allocated to and covered by the Parks Department's General Fund budget for equipment repair and maintenance services. Warranty and safety implications of the conversion have also been considered by the Parks Department and Risk Manager.

#### **Options**

In accordance with the solicitation documents, the City reserves the right to reject any and all proposals. In addition, it should be noted that the option of purchasing propane from the City's vehicle fleet fuel supplier, TriStar Energy, at the Pacific Pride station located on Fairground Street in Franklin was also evaluated. While the price per gallon at Pacific Pride was less expensive on the date proposals were due than the delivered price per gallon quoted by Heritage Propane, the convenience of having the propane delivered to near the Parks Department



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facility where the lawn mowers are stored overnight into cylinders to be stored in one or more cages all provided by the propane supplier was viewed to be worth the extra cost as it allows the lawn mower crews operating propane-powered lawn mowers to avoid having to make time-consuming daily trips to Pacific Pride, something they would not otherwise have to do except on the days, estimated to be once every other week, when the vehicle they use would need refueling.

#### Recommendation

Staff recommends that the City accept the proposal ranked highest by the proposal evaluation team, from Heritage Propane of Franklin, in the estimated total amount of \$94,300 over a three-year initial term of award for all of the specified products and services including both the recurring and non-recurring expenditures, with two options to extend the term of award for up to one year each. Purchasing Manager Brian Wilcox is of the opinion that the prepared solicitation documents as distributed allowed for competition among multiple vendors, and that the staff recommendation appears to be made in a fair and impartial manner based upon the proposals received.

# City of Franklin, Tennessee <u>Tabulation of Proposals</u>\*

Proposals received from:  Is the proposal complete?  Proposals received from:  Is the proposal complete?  Is the proposal complete?  Proposals received from:  Allservice Propane LLC  4407 Franklin, TN 37064 Bob Dietrick, Owner of 15/599-6490 Bob Dietrick, Owner of 15/599-6490 Bob.allservice@comcast.net  Chiles Propane Gas LLC  902 West College St. P.O. Box 330 Pulaski, TN 38478-3659 Pulaski, TN 38478-3659 West Chiles, Managing Member 931/363-5562 West Chiles, Managing Member 931/363-5562 West@chilespropane.com  Proposer takes no exceptions  Proposer takes no exceptions  75.50  \$1.47  \$6,140.00  Net 30 days  2/28/20  Proposer takes no exceptions		10044.0454						
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Add   Franklin   South Court   Franklin   This   South Court   Franklin   This   Thi	Proposals received from:		proposal take any exceptions to the City's procurement solicitation? / If	allocated by proposal evaluation team (out of a possible 100, utilizing evaluation criteria as listed in	recurring products and services, including propane, offered as a fixed margin in S/gal. above price per U.S. gallon for propane, TET, Mont Belvieu, Texas, as currently	pricing for non- recurring mower conversion for four specified	Payment terms:	Proposal is valid and may be accepted through:
A407 Franklin South Court   Franklin, TN 37064   Bob Dietrick, Owner   Yes   Proposer takes no exceptions   52.00   \$0.72   \$4,000.00   Net 30 days   2/28/20	Allservice Propage I I C							
Franklin, TN 37064   Bob Dietrick, Owner   G15/599-6490   Bob Dietrick, Owner   G15/599-6490   Bob Dietrick, Owner   G15/599-6490   Bob Allservice@comcast.net   S2.00   S0.72   S4,000.00   Net 30 days   2/28/20								
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902 West College St. P.O. Box 330 Pulaski, TN 38478-3659 West Chiles, Managing Member 931/363-5562 west@chilespropane.com  Ferrellgas 1011 Firestone Pkwy. Lavergne, TN 37086 Rick Warren, Account Manager 615/642-0466 rickwarren@ferrellgas.com  Proposer takes no exceptions 75.50 S1.47 \$6,140.00 Net 30 days 2/28/20  **Toposer takes no exceptions**  Proposer takes no exceptions  75.50 S1.47 \$6,140.00 Net 30 days 3/30/20  **Net 30 days \$1.02 **S4,700.00 Net 30 days \$3/1/201	Chiles Propone Gos I I C							
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