




HISTORIC
FRANKLIN
TENNESSEE

Item #12
Worksession
01/28/2014

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.

Background

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.

Tabulation of Proposals*

Purchasing Office Solicitation No.:		2014-015 (request for proposals for propane fuel service for lawn mowers)					
Notice to proposers published in the <i>Williamson Herald</i> on:		11/14/13					
Number of potential proposers that were notified of / that submitted a proposal in response to this request for proposals:		5 / 4					
Date and time proposals due and publicly opened:		12/17/13 2:00 PM					
Present at opening of proposals:		Rick Hash of Chiles Propane and Rick Warren of Ferrellgas Propane; Brian Walker and James Bilbo of the City of Franklin Parks Department; and Dee Settle and Brian Wilcox of the City of Franklin Purchasing Office					
Target meeting of BOMA at which recommendation will be considered:		2/11/14					
Proposals received from:	Is the proposal complete?	Does the proposal take any exceptions to the City's procurement solicitation? / If so, how many?	Average points allocated by proposal evaluation team (out of a possible 100, utilizing evaluation criteria as listed in RFP):	Total quoted pricing for recurring products and services, including propane, offered as a fixed margin in \$/gal. above price per U.S. gallon for propane, TET, Mont Belvieu, Texas, as currently posted on WSJ.com:	Total quoted pricing for non-recurring mower conversion for four specified lawn mowers:	Payment terms:	Proposal is valid and may be accepted through:
Allservice Propane LLC 4407 Franklin South Court Franklin, TN 37064 Bob Dietrick, Owner 615/599-6490 bob.allservice@comcast.net	Yes	Proposer takes no exceptions	52.00	\$0.72	\$4,000.00	Net 30 days	2/28/2014
Chiles Propane Gas LLC 902 West College St. P.O. Box 330 Pulaski, TN 38478-3659 West Chiles, Managing Member 931/363-5562 west@chilespropane.com	Yes	Proposer takes no exceptions	63.00	\$1.78	\$7,000.00	Net 30 days	3/30/2014
Ferrellgas 1011 Firestone Pkwy. Laverne, TN 37086 Rick Warren, Account Manager 615/642-0466 rickwarren@ferrellgas.com	Yes	Proposer takes no exceptions	75.50	\$1.47	\$6,140.00	Net 30 days	2/28/2014
Heritage Propane 101 Noah Dr. Franklin, TN 37064 Tyler Faulkner 615/815-4467 tyler.faulkner@amerigas.com	Yes	Proposer takes no exceptions	89.00	\$1.02	\$4,700.00	Net 30 days	3/1/2014

*Shaded proposal is the one scored highest by the proposal evaluation team