



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JULY 14, 2015**  
**FROM: GENERAL SERVICES DEPARTMENT** **WARDS: ALL**  
**SUBJECT: EXTENSION OF BID NO. 6779 FOR LIQUIFIED PETROLEUM GAS**

## **ISSUE:**

Consideration is to approve the extension of Bid No. 6779 for the City's annual requirements for Liquefied Petroleum Gas (propane).

## **RECOMMENDATION:**

That the City Council authorize the extension of Bid No. 6779 with Mutual Liquid Gas and Equipment Company, Inc. of Gardena, California in the amount of \$160,000 for the period of July 1, 2015 through June 30, 2016.

## **BACKGROUND:**

On October 13, 2009 the City Council awarded Bid No. 6779 to Mutual Liquid Gas and Equipment Company, Inc. (Mutual Propane) for the City's annual propane needs through June 30, 2010. Mutual Propane has satisfactorily supplied the City with propane which has resulted in annual bid extensions through June 30, 2015. On December 2, 2014 the City Council approved a change order to increase Purchase Order No. 151043 by \$75,000 for a total of \$150,000 to Mutual Propane for the period of December 31, 2014 through June 30, 2015. The increase in expenditures was due to increased propane sales for school district vehicles.

Mutual Propane has consistently held the same price structure, provided excellent service and reliably supplied the City with propane. Mutual Propane has agreed to extend the same service and pricing through June 30, 2016. While the corporate office for Mutual Liquid Gas and Equipment Company, Inc. is located in Gardena, the local field office in Corona will be providing propane services to the City.

The Purchasing Services Manager concurs with the recommendation above.

## **FISCAL IMPACT:**

The total cost is estimated at \$160,000 based on use in Fiscal Year 2014/15. Sufficient funds are available in the General Services Department Fuel Inventory Account No. 0000650-141100.

Prepared by: Kris Martinez, General Services Director  
Certified as to  
availability of funds: Brent A. Mason, Finance Director/Treasurer  
Approved by: Alexander T. Nguyen, Assistant City Manager  
Approved as to form: Gary G. Geuss, City Attorney