



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JULY 26, 2016

FROM: GENERAL SERVICES DEPARTMENT WARDS: ALL

SUBJECT: AWARD BID NO. 7411 TO MUTUAL LIQUID GAS AND EQUIPMENT COMPANY, INC. (MUTUAL PROPANE) FOR THE ANNUAL PURCHASE OF LIQUEFIED PETROLEUM GAS AT THE CORPORATION YARD IN THE AMOUNT OF \$117,470

ISSUE:

Consideration to award Bid No. 7411 to Mutual Liquid Gas and Equipment Company, Inc. (Mutual Propane) in the amount of \$117,470 for the City's annual requirements of liquefied petroleum gas.

RECOMMENDATIONS:

That the City Council:

1. Award Bid No. 7411 to Mutual Liquid Gas and Equipment, Inc. (Mutual Propane) of Gardena, California, in the amount of \$117,470 for the annual purchase of Liquefied Petroleum Gas for the period of July 1, 2016 through June 30, 2017;
2. Authorize the Purchasing Services Manager to issue a Purchase Order to Mutual Liquid Gas and Equipment, Inc. in the amount of \$117,470.

BACKGROUND:

The Fleet Management Division of General Services provides Liquid Petroleum Gas (Propane) at the Corporation Yard for City vehicles and the public as a clean burning alternative fuel. Fleet Management has sold 166,430 gallons of propane for City vehicles and the public over the last 12 months. Over the past five (5) years, propane sales have increased 2,288%. Future demand for propane is expected to increase, primarily due to additional Student Transportation of America bus traffic.

DISCUSSION:

On June 10, 2016, Bid No. 7411 was issued for the annual requirement of propane and one (1) response was received from Mutual Liquid Gas and Equipment, Inc. (Mutual Propane). Mutual Propane has provided Propane to the City since 2009 and staff has been satisfied with the quality and level of service received.

The Purchasing Services Manager concurs with the recommendation.

FISCAL IMPACT:

Funds in the amount of \$117,470 are available in the General Services 2016-17 budget Fuel Inventory Account No. 0000650-141100 for this annual requirement.

Prepared by:	Carl Carey, General Services Director
Certified as to	
availability of funds:	Scott G. Miller, Interim Finance Director/Treasurer
Approved by:	Marianna Marysheva-Martinez, Assistant City Manager
	Approved as to form: Gary G. Geuss, City Attorney

Attachments:	Bid Recommendation
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