

Purchasing Summary

EVENT # 6741	TITLE: Propane	COST: \$59,598.00
TYPE OF PROCUREMENT: Emergency	ANNUAL CONTRACT <input type="checkbox"/> ANNUAL MAINTENANCE AGREEMENT <input type="checkbox"/>	ONE TIME PURCHASE <input checked="" type="checkbox"/>
CONTRACT TERM (IF APPLICABLE) N/A		
DBE (IF APPLICABLE) N/A		
MATRIX (IF APPLICABLE) N/A		
NOTES		
<p>Notification of emergency procurement of propane from MX Energy in the amount of \$59,598.00. The President Street Water Reclamation facility uses propane as an alternate fuel supply to its interruptible natural gas service. During times of high demand, the natural gas service to the facility is curtailed and propane is used. In the past, natural gas has frequently been curtailed due to hurricanes. Event when hurricanes do not impact the Savannah area, they can have effects on the natural gas pipeline from Texas and effect the service from Texas.</p> <p>In order for the solids handling system to begin, the President Street facility needed to deplete its stock of propane. This was done in order for the contractors to make tie-ins to the new system. The propane was used during the final days of incineration to empty the 35,000 gallon propane tanks and system. The solids handling project is nearing its testing phase and the propane is needed in order to perform testing on the new equipment. In fact, the system will be tested with both fuel supplies. Propane pricing is driven by the market and pricing fluctuates daily. In order to lock in a price, an order must be placed by 3:00 PM the following day of the quotation. When the storm season was approaching and the need to commission the Solids Handling system arose, propane was needed. Operations obtained pricing and placed the order emergency purchase for two reasons; Pricing was able to be locked in and the Water Reclamation Emergency Preparedness plan includes the use of propane in the event natural gas is curtailed.</p> <p>Over the years Water Reclamation staff have tried to purchase propane via contracts and bidding. However, due to the drastic fluctuations in the market daily propane suppliers cannot offer firm pricing. Due to the quantities ordered, this vendor is the only known supplier that can supply propane in large quantities. Delivery: Immediately. Terms: Net 30 days. The vendor was:</p> <p>E.P. MX Energy (Atlanta, GA)^(D) \$59,598.00</p> <p>A pre-bid conference was not conducted as this is an emergency purchase. (D) Indicates non-local, non-DBE business. <u>Recommend approval.</u></p> <p>Local Available: No Total Sent: 1 Total Received: 1 DBE Received: 0 Vendor Federally Debarred/Suspended: No</p>		