



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 6

Agenda Date: November 18, 2021

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

HD-5 Propane Motor Fuel

SUMMARY:

This ordinance authorizes an Integration Agreement with Longhorn Propane LP, to provide the Building and Equipment Services Department and other various City departments with HD-5 Propane Motor Fuel for use by approximately 100 propane-powered vehicles and equipment for an estimated annual cost of \$63,000.00. Funding in the amount of \$63,000.00 is available from the FY 2022 Fleet Services Fund Budget.

This ordinance also authorizes an Interlocal Agreement with VIA Metropolitan Transit, by which the City will acquire the right to use the competitively procured contract between VIA and Longhorn Propane LP.

BACKGROUND INFORMATION:

Submitted for City Council consideration and action is the attached bid tabulation to provide the Building and Equipment Services Department (BESD) and other various City departments with HD-5 Propane Motor Fuel via an Interlocal Agreement with VIA Metropolitan Transit (VIA).

The City currently has three 18,000 gallon storage/dispensing facilities located in various

sections of the City which are used to refuel approximately 100 propane-powered vehicles and equipment within the City's fleet. This purchase will provide HD-5 Propane Motor Fuel to support fueling needs for propane-powered vehicles and equipment which contribute to the delivery of City services.

The City and VIA previously entered into an Interlocal Agreement for Fuel Purchasing on November 10, 2016, under which VIA provided the City access to their agreement allowing the City to purchase HD-5 propane motor fuel. The City and Longhorn Propane, LP, entered into an Integration Agreement for HD-5 Propane Motor Fuel on November 10, 2016, which expired on October 31, 2021. The new agreement shall begin upon Council award through October 31, 2026, with no renewal options.

ISSUE:

After completing a competitive Invitation For Bid issued on June 25, 2021, VIA executed a new agreement with Longhorn Propane LP, on November 1, 2021, for the delivery of HD-5 propane motor fuel for a term of five years, beginning November 1, 2021, and ending October 31, 2026.

VIA has authorized use of its competitively procured contracts for the City of San Antonio. The Interlocal Cooperation Act, Chapter 791, Texas Government Code permits local governmental entities to enter into intergovernmental agreements for the performance of governmental functions, including administrative functions, such as purchasing, in order to promote efficiencies and effectiveness. The Interlocal Agreement satisfies Texas laws on competitive bidding.

The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority, and/or women businesses available to provide these goods and services.

The recommended award is an exception to the Local Preference Program.

The Veteran-Owned Business Program does not apply to good/supplies contracts, so no preference was applied to this contract.

ALTERNATIVES:

Should this contract not be approved, the Building and Equipment Services Department and other various City departments will be required to procure HD-5 Propane Motor Fuel on as needed basis, wherein increasing cost due to non-contract buying could be realized. This may hinder efficient delivery and supply of fuel, thus compromising timely delivery of essential services to the residents of San Antonio.

FISCAL IMPACT:

This ordinance authorizes an Integration Agreement with Longhorn Propane LP, to provide the Building and Equipment Services Department and other various City departments with HD-5 Propane Motor Fuel for use by approximately 100 propane-powered vehicles and equipment for an estimated annual cost of \$63,000.00. Funding in the amount of \$63,000.00 is available from the FY 2022 Fleet Services Fund Budget.

This ordinance also authorizes an Interlocal Agreement with VIA Metropolitan Transit, by which the City will acquire the right to use the competitively procured contract between VIA and Longhorn Propane LP.

RECOMMENDATION:

Staff recommends approval of Interlocal Agreement with VIA Metropolitan Transit and the Integration Agreement with Longhorn Propane LP, to purchase HD-5 Propane Fuel for an estimated annual cost of \$63,000.00.

This contract was procured on the basis of cooperative purchasing and a contracts disclosure form is not required.