



P.O. Drawer 140, 100 Central Circle
 Low Moor, VA 24457
 540-863-1800 540-863-1804 fax

DATE: June 20, 2016

ACTION ITEM

SUBJECT	Bid Recommendation for Propane
RATIONALE	The bid specification requested that a base price per gallon as of May 13, 2016 be provided. The base price is the posted terminal rack average price for the Mt. Belvieu, Texas terminal rack in effect at the time propane is secured on behalf of Alleghany County Public Schools. The base price is variable. The bid specification also requested a fixed differential cost per gallon to include the bidder's overhead, freight costs, and profit. I recommend award of the bid for propane for the five-year term effective July 1, 2016 to Dixie Gas & Oil Corporation who was the lowest responsive bidder.
ESTIMATED COST	\$13,968.00 annually
BUDGET CATEGORY	Heating Services
LEGAL REFERENCE	
STAFF CONTACT	Keven Rice
SUPERINTENDENT'S RECOMMENADATION	Recommended

Sealed bids were received on May 20, 2016 for the provision of propane for a five-year term effective July 1, 2016. A summary of the bid responses is provided below:

Bidder	Product	Est. Annual Gallons	Base Cost Per Gallon	Fixed Diff. Per Gallon	Total Cost Per Gallon	Est. Annual Cost
Amerigas	Propane	16,000	\$0.454	\$.52	\$0.974	\$15,584.00
Davenport Energy	Propane	16,000	\$0.569	\$0.359	\$0.928	\$14,484.00
Dixie Gas & Oil	Propane	16,000	\$0.523	\$0.350	\$0.873	\$13,968.00