



**The State of Oregon  
Department of Administrative Services  
State Procurement Office issues the following**

## **Buyer's Guide**

**for  
Propane; Direct Pickup and Delivery**

This Buyer's Guide is applicable to the following Price Agreement(s):

8678, 8679, 8680, 8681

Point of Contact:

Dustin Sculatti  
State Procurement Analyst  
[Dustin.M.Sculatti@das.oregon.gov](mailto:Dustin.M.Sculatti@das.oregon.gov)  
Telephone: 971.349.2087

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# BUYER'S GUIDE

## I. Applicable Price Agreements and Products

This Buyer's Guide covers the "Propane; Direct Pickup and Delivery" Price Agreements (PA) 8678, 8679, 8680, & 8681. The purpose of these PA's are for the purchase of propane and related Goods and Services, including but not limited to: propane tank rental; propane tank delivery and installation; Propane tank removal, propane fuel delivery by the awarded Bidder to a defined destination; propane fuel via direct pickup by an Authorized Purchaser; component parts, supplies; and labor.

**\*\*\*Authorized Purchasers may not utilize the Price Agreements to obtain Construction services as defined and provided for in Oregon Administrative Rule 125-249 and Oregon Revised Statute 279C.\*\*\***

## II. Best Value Analysis

Many areas are serviced by more than one supplier. In those situations, the Authorized Purchaser should use the Best Value Analysis to determine the supplier that best fits their specific needs for each location.

Following are suggested considerations for determining the 'Best Value' in selecting a Supplier from these price agreements. (See ORPIN Price Agreement Summary)

- Tank rental costs
- Tank delivery and installation costs
- Propane delivery costs
- Propane pickup costs
- Contractor labor rates
- Contractor delivery service center location
- Contractor direct pickup service center location
- Component parts and supplies costs

## III. How to Order

The Price Agreement is available for use by Authorized Purchasers which are; state agencies, Oregon Cooperative Procurement Program (ORCPP) participants, and Washington State Purchasing Cooperative (WSPC) members.

If your location is not listed on the Price Agreement, per Section 4.8 of the PA, contact the Contract Administrator for the PA's that service your area to request a price quote. Following section 4.8, once all details have been worked out between you and the PA's contract administrator, contact the Procurement Services (PS) contract administrator with the information, the location will be then added to the PA for that vendor and added to the ORPIN summary page.

## 4.8 New Delivery Locations

4.8.1 Authorized Purchaser and Contractor may agree to propane delivery at delivery locations not listed in this Price Agreement.

4.8.2 The Delivery Margin for propane delivered to a new delivery location will be the higher of the current Delivery Margin for the County or the nearest specified delivery location in the same County for which the Contractor is currently providing delivery service.

4.8.3 Upon agreement by the Price Agreement Administrator, the new delivery location is added to this Price Agreement. In the event the parties cannot agree on new delivery location or price, either one may ask the Price Agreement Administrator to assist in the negotiation.

Orders placed pending receipt of price quotes will be charged the unit cost for the county in which the location exists. See attached spreadsheet that list the Suppliers the counties they service and the Suppliers markup by county and location.

- Who do I contact?  
The person identified in the Price Agreement(s) as the Contractors 'contact'.

PA 8678 - Staub & Sons Petroleum, Inc. - Nick Staub [dan.dewitt@edstaub.com](mailto:dan.dewitt@edstaub.com)

PA 8679 - Suburban Propane - Cherie Holgren [cholmgren@suburbanpropane.com](mailto:cholmgren@suburbanpropane.com)

PA 8680 - Ferrellgas - Tori Davis [baileemattthews@ferrellgas.com](mailto:baileemattthews@ferrellgas.com)

PA 8681 – Morrow County Grain Growers – Debbie Cissna [debbies@mcgg.net](mailto:debbies@mcgg.net) and [dough@mcgg.net](mailto:dough@mcgg.net)

- What do I send the Contractor's to receive a quote?

Quote Form (sample below) follow the link:

Authorized Purchaser Fill In - Name, Address, Location and X's		STAUB & SONS PETROLEUM, INC.			SUBURBAN PROPANE			FERRELLGAS, LP			TRI-COUNTY PROPANE dba Pendleton Grain Growers, Inc.		
Location of Tank (s) to be filled if different than above (write in SAME if applicable)		Tank Rental Price Per Year	Installation Fee	Margin +/- Butane Propane Network (BPN) Average	Tank Rental Price Per Year	Installation Fee	Margin +/- Butane Propane Network (BPN) Average	Tank Rental Price Per Year	Installation Fee	Margin +/- Butane Propane Network (BPN) Average	Tank Rental Price Per Year	Installation Fee	Margin +/- Butane Propane Network (BPN) Average
County	XXXXX	\$1.00	\$0.00	\$	\$48.00	\$0.00	\$	\$0.00	\$0.00	\$	\$120.00	\$0.00	\$
Number of Tanks	XXXXX	Note: Annual tank rental and tank installation provided above are derived from your respective Statewide Price Agreement #8678.			Note: Annual tank rental and tank installation provided above are derived from your respective Statewide Price Agreement #8679.			Note: Annual tank rental and tank installation provided above are derived from your respective Statewide Price Agreement #8680.			Note: Annual tank rental and tank installation provided above are derived from your respective Statewide Price Agreement #8681.		
Tank (s) Capacity	XXXXX												
Tank (s) Rented or Owned	XXXXX												
Yearly Usage	XXXXX												
Fill Schedule (TBD, Keepfull, Willcall, etc)	XXXXX	Provide Quote Above			Provide Quote Above			Provide Quote Above			Provide Quote Above		
Fill In Additional Information (If multiple tanks; add tanks [1, 2, 3] and capacities, special site location information, etc)		<p style="text-align: center;"><b>4.8 New Delivery Locations.</b></p> <p>4.8.1 Authorized Purchaser and Contractor may agree to propane delivery at delivery locations not listed in this Price Agreement.</p> <p>4.8.2 The Delivery Margin for propane delivered to a new delivery location will be the higher of the current Delivery Margin for the County or the nearest specified delivery location in the same County for which the Contractor is currently providing delivery service.</p> <p>4.8.3 Upon agreement by the Price Agreement Administrator, the new delivery location is added to this Price Agreement. In the event the parties cannot agree on new delivery location or price, either one may ask the Price Agreement Administrator to assist in the negotiation.</p>											

<http://www.oregon.gov/DAS/EGS/ps/docs/CopyofQuoteForm.xls>

- What information do I need to supply to the Contractor’s to receive a quote?
  - Follow the link above and fill in the Quote forms left blocks and submit to contacts or;
  - Provide the statewide Price Agreement number and tell the contact person what products you want to order.
  
- What form do I use to place an order?
  - State Agencies: Use the purchase order form that DAS PS has provided for all state agencies.
  - ORCPP Members: Use your own agency’s purchasing document, which must contain the mandatory purchase order language from Section 2.7.3 of the applicable Price Agreement(s).
  
- When can I expect my order?
  - Delivery: Contractors make deliveries during normal business hours and no more than three calendar days after receipt of Purchase Order.
  - See Section 4.1 of the applicable Price Agreement(s) for delivery and pick-up rules,

**IV. Tank Rentals**

Tanks may be rented from Suppliers according to the schedule on the Price Agreement Summary page. Tank rental prices range from “no charge” to \$120 annually, Installation charges range from “no charge” to \$75 depending on the Supplier/location.

Contractor shall be responsible for maintaining all propane equipment in good mechanical and operational condition regardless of equipment ownership. In no case will the Authorized Purchaser be responsible for maintenance or repair that is required due to defects in materials, design, or manufacture.

**V. Determining Contract Price for Propane**

The contract price for propane is a Calculation of the average Weekly Propane Price Index Number (PPIN) plus the Suppliers markup per gallon for the designated location or county.

The Propane Price Index is available on the Oregon Procurement Information Network (ORPIN). After you Log In to ORPIN scroll down to the heading Fuel and Propane, select Bulk Fuel, Select Bulk Propane Pricing to view the average price for the week. (Example – week of 4/20/2009 to 4/26/2009 the PPIN contract price was \$0.72)

The Price Agreement Summary page identifies the county and then locations within the county.

Example:

Item #	Quantity / Unit	Description	Unit Cost
	1 GALLON	Commodity No. 405-03	\$0.50

		Benton County - Delivery Price	
3	1 GALLON	3.1 Benton County No. 1  Corvallis 3700 SW Philomath Blvd Corvallis, OR Agency: ODOT	\$0.32

In this example if you ordered 250 gallons to be delivered on 4/25/2009 for delivery to ODOT in Corvallis the cost per gallon would be:

PPIN	\$0.72
Unit cost	<u>\$0.32</u>
Price per Gallon	\$1.04

250 Gallons	\$260.00
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This price includes the delivery charge. In some cases Fuel Surcharge may be applicable see Section 4.1.1.8 of the Price Agreement for clarity.

Although there is no minimum order quantities, Authorized Purchasers shall order reasonable quantities based upon size of storage tank. Authorized Purchasers may request to participate in the Contractor's Keep Full Program if the Contractor has such a program for Contractor's other customers. Under this program, Contractor at its convenience shall make deliveries necessary to guarantee that Authorized Purchasers on Contractor's Keep Full Program will not run out of propane.

## VI. INVOICES

Contractor shall invoice Authorized Purchaser only after delivery of all Goods and Services ordered.

Invoices shall be sent to the Delivery Destination specified on the Purchase Order, or to a different address as may be provided by Authorized Purchaser. Contractor shall include in its invoice the **ITB#, Contract #**, if any, **Goods and Services ordered** and **volume or quantity of Goods and Services delivered**, the **price per item** or quantity of Goods and Services, any other charges or adjustments allowed by this Price Agreement, the total amount due, and address to which payment is to be sent.

## VII. PAYMENT

Contractor shall invoice Authorized Purchaser only after delivery of all Goods and Services ordered. Payment is due by Authorized Purchaser within thirty (30) days after the date of the invoice pursuant to ORS 293.462.

## VIII. Frequently Asked Questions (FAQ's)

The following are the most frequently asked questions about Propane Delivery and services.

- **Is my location part of the price agreements?** See *Supplier by county list as attached, then check the ORPIN summary of locations listed on ORPIN.*
- **How do I get my location added?** *You submit a filled in quote form to the suppliers in your area (section III above), the best practice would be to submit to all suppliers on contract. The supplier fills in the margin and returns the quote form to you. You decide which supplier best meets the needs of your organization through a best value analysis (as described in section II of this document) and submit the quote to the State's Agreement Administrator, at which time you will make your choice of supplier in writing. Upon agreement by the State's Agreement Administrator your location is added and you may begin receiving Propane under contract, the Administrator will add your location to the ORPIN summary as soon as is reasonable.*
- **If my Supply / Service needs change can I use a different Supplier?** *Yes, if there is another Supplier available for your location/County.*
- **Can I switch Suppliers if the service level becomes unsatisfactory?** *Yes, if there is another Supplier for your location/County, and after the Supplier has been given the opportunity to correct the issues with unsatisfactory results.*