

Date: June 21, 2023

To: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

Agenda Item No. 8(P)(2)

From: Daniella Levine Cava
Mayor

Resolution No. R-530-23

Subject: Recommendation for Approval to Reject Bid for Liquefied Petroleum Gas

Summary

This item is requesting rejection of the sole bid received in response to the solicitation for the provision of liquefied petroleum gas (also known as propane, LP gas, or LPG) for multiple County departments. Award of a contract pursuant to bid would not be in the best interest of the County, since the prices offered are significantly higher. Additionally, the County was able to identify a competitively solicited contract established by the State of Florida with pricing that is five times lower than the bid being recommended for rejection, and from the same vendor - Suburban Propane, LP (Suburban Propane). Consequently, the rejection of this bid is being recommended, and the County does not intend to resolicit because the aforementioned State of Florida contract has been accessed to ensure continuity of services.

The purpose of this solicitation was to establish a contract for the purchase of LPG, on an as needed basis. LPG is used by County departments for numerous applications including: fuel in appliances (stoves and ovens) to prepare meals for inmates and staff; ignition and heat source to power kilns used in water treatment; large incinerators to burn items; fuel to power equipment such as generators, water pumps, power mowers, and forklifts; and to fuel other equipment where emissions and vapors from different types of fuel would create hazardous, health, or safety problems.

Recommendation

It is recommended that the Board of County Commissioners (Board) approve the rejection of the sole bid received under *Invitation to Bid No. EVN0000032, Liquefied Petroleum Gas (LPG)* for multiple County departments. This contract was intended to replace *8233-1/22-1, Liquefied Petroleum Gas (LPG)*, which was awarded by the Board through Resolution No. R-678-12, for a five-year term with one five-year option to renew term. The contract is currently valued at \$2,137,945 for a ten-year and six-month term which expired on March 31, 2023. The State of Florida contract, *Contract No. 15111510-19-01, Liquefied Petroleum (LP) Gas*, was accessed effective April 1, 2023 and expires October 29, 2025.

Background

On July 19, 2022, a solicitation was advertised under full and open competition via *Invitation to Bid No. EVN0000032* to satisfy the requirements of multiple County departments for the provision of liquefied petroleum gas. The solicitation included two groups: Group A - Federally Funded Purchases and Group B - Non-Federally Funded Purchases. The solicitation closed on December 5, 2022, and the County received one bid from Suburban Propane in response to the solicitation. The price offered by Suburban Propane was \$2.45 per gallon for the price adder or mark-up for each group, which included the replacement of 56 LPG tanks. Under the recently expired County contract, *Contract No. 8233-1/22*, the County was paying a mark-up of \$0.53 per gallon, using 56 existing LPG tanks owned by Ferrellgas LP Limited Partnership (Ferrellgas). Once the decision was reached to reject this solicitation, the County entered negotiations with Ferrellgas and successfully purchased the 56 tanks at a discounted rate. These tanks are currently in use to obtain the LPG from Suburban Propane under the accessed contract, for which the County is paying either \$0.390 markup per gallon for bobtail delivery or \$0.264 markup per gallon for transport delivery.

Additionally, it should be noted that the incumbent vendor, Ferrellgas, did not bid. Ferrellgas sent an email to the County, while the solicitation was advertised, indicating that they would not be bidding because due to limitations of their existing Oil Price Information Service (OPIS) subscription, they were unable to provide the weekly (OPIS) report as required under the solicitation.

The County will continually monitor the market and should market conditions related to LPG prices change such that additional competition becomes practicable, the County will issue its own competitive solicitation for these services. Therefore, it is in the best interest of the County to reject the sole bid received.

Scope

The impact would have been countywide in nature.

Delegated Authority

There is no delegated authority requested for this rejection.

Fiscal Impact/Funding Source

There is no fiscal impact to the County with the rejection of the bid. The Community Action and Human Services Department would have had the largest allocation under this contract.

Track Record/Monitor

Manuel Jimenez of the Strategic Procurement Department is the Procurement Contract Manager.

Vendor Recommended for Award

None

Vendor Not Recommended for Award

Vendor	Local Address	Reason for Not Recommending
Suburban Propane, LP	No	Rejection of Bid

Applicable Ordinances and Contract Measures

- The two percent User Access Program provision would have applied, where permitted by funding source.
- The Small Business Enterprise Bid Preference and Local Preference would have been applicable, where permitted by funding source.
- The Living Wage would not have applied.



Morris Copeland
Chief Community Services Officer



MEMORANDUM

(Revised)

TO: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

DATE: June 21, 2023

FROM: 
Gen Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 8(P)(2)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Statement of social equity required
- ☐ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☐ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's present ____, 2/3 membership ____, 3/5's ____, unanimous ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) ____, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) ____ to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(P)(2)
6-21-23

RESOLUTION NO. R-530-23

RESOLUTION REJECTING THE SOLE BID RECEIVED IN
RESPONSE TO INVITATION TO BID NO. EVN0000032 FOR
THE PURCHASE OF LIQUEFIED PETROLEUM GAS

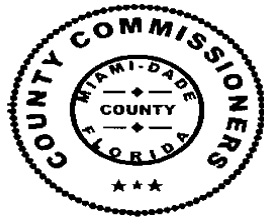
WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board rejects the sole bid received in response to Invitation to Bid No. EVN0000032 for the purchase of liquefied petroleum gas. A copy of the solicitation document and the bid received in response are on file with and available upon request from the Strategic Procurement Department.

The foregoing resolution was offered by Commissioner **Raquel A. Regalado** , who moved its adoption. The motion was seconded by Commissioner **Marleine Bastien** and upon being put to a vote, the vote was as follows:

Oliver G. Gilbert, III, Chairman	absent		
Anthony Rodríguez, Vice Chairman	aye		
Marleine Bastien	aye	Juan Carlos Bermudez	aye
Kevin Marino Cabrera	absent	Sen. René García	aye
Roberto J. Gonzalez	aye	Keon Hardemon	absent
Danielle Cohen Higgins	aye	Eileen Higgins	absent
Kionne L. McGhee	aye	Raquel A. Regalado	aye
Micky Steinberg	aye		

The Chairperson thereupon declared this resolution duly passed and adopted this 21st day of June, 2023. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this resolution and the filing of this approval with the Clerk of the Board.



MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

JUAN FERNANDEZ-BARQUIN, CLERK

By: **Basia Pruna**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

A handwritten signature in blue ink, consisting of the letters "MBV" in a stylized, cursive font.

Michael B. Valdes