



MARIPOSA COUNTY

Health and Human Services • (209) 966-2000



RESOLUTION - ACTION REQUESTED 2019-531

MEETING: September 17, 2019
TO: The Board of Supervisors
FROM: Chevon Kothari, Health and Human Services Director
RE: Approval of Price Change in Propane Supply Agreement and Equipment Lease with AmeriGas

RECOMMENDATION AND JUSTIFICATION

Ratify the Propane Supply Agreement and Equipment Lease with AmeriGas; and Authorize the Board of Supervisors Chair Sign Attachment "A" - Price of Propane in Effect from October 1, 2019 through September 30, 2020.

The County currently has a three year agreement with AmeriGas to supply propane and equipment to the Health and Human Services Agency. The term of the agreement is October 1, 2017 through September 30, 2020.

AmeriGas is an LPG distribution company headquartered in King of Prussia, Pennsylvania, with extensive operations in the United States. Founded in 1959, it is the nation's largest retail propane marketer, serving approximately 2 million customers from approximately 2,500 distribution locations. For this specific agreement, AmeriGas provides propane services and lease equipment to County of Mariposa Health and Human Services facilities.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

Board of Supervisors ratified acceptance of approval for the Propane Supply Agreement and Equipment Lease with AmeriGas on February 5, 2019 through Resolution No. 2019-62.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Failure to allow approval of the Attachment A modification runs the risks of being in default of our current agreement with AmeriGas and creating unsafe working environments for staff members within Health and Human Services facilities.

FINANCIAL IMPACT:

Revenue and corresponding appropriations are included in the Fiscal Year 2019-2020 Budget.

Resolution - Action Requested 2019-531

ATTACHMENTS:

Amerigas Price Index Agmt 2019 Wsignatures (PDF)

Attachment A 2020 - Wsignature (PDF)

RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]

MOVER: Marshall Long, District III Supervisor

SECONDER: Kevin Cann, District IV Supervisor

AYES: Smallcombe, Jones, Long, Cann, Menetrey

ATTACHMENT A

PRICE OF PROPANE


RES. NO. 19-531

Area Index


Subject to the provisions of the Propane Supply Agreement and Equipment Lease, the price for propane will be the Company's local Area Index, plus \$0.400 per gallon and any applicable taxes, fees, rates and charges.* This pricing will remain in effect from 10/01, 2019 to 9/30, 2020.

The Company's Area Index represents a blended average of the Company's total propane costs for the Company's geographic areas and supply points in which the District that serves Customer is located including, but not limited to, the cost of beginning inventories, all current propane procurement costs and freight costs. The Area Index is updated regularly to better approximate the continuously varying costs of propane resulting from various market forces. The price will also include any applicable taxes, fees, rates and charges.*

CUSTOMER

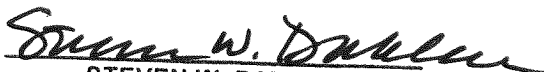
Signature: 
Title: County of Mariposa
Print Name: MILES MENETREY
Date: SEPT 18, 2019
Customer Number: 202707501
Contract Number: _____

COMPANY

Signature: 
Title: District Manager
Print Name: Mike Vieira
Date: 08/16/2019
District Name: Fresno
District Number: 5,162

*The Hazardous Material & Safety Compliance and Fuel Recovery Fees will be assessed for propane deliveries or service work performed. If Company is unable to obtain propane from its customary suppliers; experiences terminal, refinery or pipeline disruptions; allocation programs instituted by pipelines, refiners or other suppliers; or lack of or inadequate transportation facilities, the price set forth above will be adjusted during the period that this takes place to account for Company's increased expenses in obtaining or transporting propane.

APPROVED AS TO FORM:


STEVEN W. DAHLEM
COUNTY COUNSEL