



City of Austin

Recommendation for Action

File #: 26-1551, **Agenda Item #:** 18.

5/7/2026

Posting Language

Authorize a contract for the supply and delivery of propane for all City departments with Ferrellgas, LP d/b/a Ferrellgas, for an initial term of one year with up to four one-year extension options in an amount not to exceed \$461,000. Funding: \$35,416 is available in the operating budget of all City departments. Funding for the remaining contract term is contingent upon available funding in future budgets.

Lead Department

Austin Financial Services.

Client Department(s)

All City Departments.

Fiscal Note

Funding in the amount of \$35,416 is available in the operating budget of all City departments. Funding for the remaining contract term is contingent upon available funding in future budgets.

Procurement Language:

Austin Financial Services issued an Invitation for Bids solicitation IFB 5000 MAS1001REBID for these goods. The solicitation was published on January 5, 2026, and closed on February 20, 2026. The recommended contractor submitted the only responsive offer. A complete solicitation package, including a tabulation of the bid received, is available for viewing on the City's website. This information can currently be found at https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=143664.

MBE/WBE:

This contract will be awarded in compliance with the City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the goods required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

For More Information:

Direct questions regarding this Recommendation for Council Action to Austin Financial Services - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Additional Backup Information:

This contract provides the supply and delivery of HD-5 propane (highest grade of propane commonly sold in the U.S. for residential, commercial, and vehicle use). Services include propane delivery, refills, exchanges, and recertifications for 20-pound and 33.5-pound cylinders on a regular schedule and as needed. Propane is used to power various equipment at City facilities, including forklifts, outdoor heaters, and lawn equipment. Cylinders may be exchanged or refilled at the Contractor's location or at designated City facilities as requested.

The contract will replace a contract expiring May 31, 2026. The recommended vendor is the current provider for these goods and services. The requested authorization amount is based on historical spending and departmental estimates of future needs.

If this contract is not approved, Equipment that rely on propane could be rendered temporarily inoperable, impacting the delivery of City services and day-to-day facility operations.

Contract Details:		
Contract Term	Length of Term	Contract Authorization
Initial Term	1 year	\$85,000
Optional Extension 1	1 year	\$85,000
Optional Extension 2	1 year	\$85,000
Optional Extension 3	1 year	\$103,000
Optional Extension 4	1 year	\$103,000
Total	5 years	\$461,000

Note: Contract Authorization amounts are based on the City's estimated annual usage