ADDENDUM #1 TO PROPANE BID

Corrections

This Addendum serves to notify all prospective bidders of the following updates and clarifications regarding the Lake County Office of Education (LCOE) Propane Bid:

1. Correction to Release Date:
   The official release date of the LCOE Propane Bid is April 15, 2025, not April 15, 2024, as may have been previously indicated.
2. Terminal Update and Rack Price Reference:
   Effective April 1, 2025, Targa has ceased operations in California, and as a result, the San Francisco Targa terminal is no longer listed on the BPN (Butane-Propane News) index.
   In place of the Targa terminal, Midstream San Francisco and Midstream San Joaquin are now available as public terminal options for Northern California pricing references.
   After review and consideration of logistics and current rack pricing, LCOE will utilize the Midstream San Francisco terminal as the designated pricing reference for this bid.

ADDENDUM #2 TO PROPANE BID

Current Mark Up/Margin

Question:

"Please advise what the district's current margin or pricing is on the contract. This should be available to us under the Freedom of Information Act."

Answer is: $0.31/gal over the Targa pricing (as per our expiring 2022-25 bid).

ADDENDUM #3 TO PROPANE BID

This addendum is issued to modify information in the RFP 2025-28 Propane bid.

Questions:

1. *Will you accept fixed pricing offers for this bid?*
2. *How about a lease-to-own offer on equipment?*

Answers:

- Fixed Pricing: At this time, we will not accept fixed pricing offers. The district will maintain its current approach (Midstream San Francisco index plus markup) to ensure consistency and avoid late-stage changes without a full cost-benefit analysis.
- Lease-to-Own Equipment: Most districts prefer retaining vendor-owned equipment and will not pursue lease-to-own agreements at this time.

Clarifications:

- Pricing Structure: The requirement to submit a "Rack Price Charge Form" for May 1, 2025, ensures bid uniformity but does not establish a multi-year fixed rate.
- Adjustments: The phrase "daily refinery charges" confirms real-time price adjustments based on the Midstream San Francisco terminal's current rack price plus the agreed-upon markup/margin.
- Evaluation Criteria: The winning bid will be determined by the lowest markup/margin per gallon applied to the May 1st, 2025 Midstream San Francisco index.
- Billing Requirement: Price differential (mark up/margin) over the weekly Midstream SF.

ADDENDUM #4 TO PROPANE BID

Fuel Transfer Requirements

Fuel Transfer Requirements

Question: Is the winning bidder required to swap (transfer) fuel from the current tanks to the new vendor tanks?

Fuel Transfer Obligation

The winning bidder shall, at their own expense and liability, **transfer all remaining propane** from the existing vendor's tanks into their own tanks or vessels prior to the removal of the outgoing tanks. Districts can waive this requirement, in writing, if circumstances do not allow for the transfer,

OR

provide a **credit to the District** for the value of the remaining propane, based on documented tank levels and the current delivered price per gallon at the time of contract transition.

Liability

- The winning bidder assumes full responsibility for any **spills, leaks, damage, or injuries** occurring during fuel transfer, storage, or related activities.
- The District bears **no liability** for fuel quality, quantity, or transfer outcomes.

Safety Compliance

All fuel transfers must comply with applicable laws and safety codes, including:

- **NFPA 58** – Liquefied Petroleum Gas Code
- **CARB** – California Air Resources Board propane handling regulations
- **OSHA 29 CFR 1910.110** – Storage and Handling of Liquefied Petroleum Gases

The winning bidder shall submit a **written safety plan** (including spill containment procedures, fire suppression measures, and personnel certifications) **prior to transfer**.

Timeline

Fuel transfers must occur within **the first two weeks of contract execution**, unless otherwise agreed to in writing by the District.

Costs

All **equipment, labor, permitting, and disposal costs** associated with fuel transfer shall be borne by the winning bidder.
No additional compensation will be provided for these activities.

Documentation

- Submit a **signed manifest** verifying the quantity and condition of transferred fuel.
- Provide **certificates of insurance** (minimum $2M general liability), naming the District as an **additional insured**.

Alternate Option – Credit in Lieu of Transfer

At the District's discretion, the successful bidder shall either:

1. Transfer the remaining propane from the prior vendor's tanks to their own equipment,
   OR
2. Provide a credit to the District for the value of the remaining propane, based on documented tank levels and the current delivered price per gallon at the time of contract transition.

All fuel transfers must be conducted in compliance with applicable regulations and with prior written approval from the District.

Future Access Commitment

As a condition of bid acceptance, the vendor agrees that if they are **not awarded a future contract** with the District, they will cooperate in **good faith** with the incoming propane vendor. This includes:

- Allowing **safe and reasonable access** to vendor-owned tanks located on District property for the purpose of **transferring any remaining propane** to the new vendor's tanks,
  OR
- Providing a **timely reimbursement or credit** to the District for the value of any remaining propane, based on documented tank levels and the then-current market price.

Failure to provide such access or reimbursement may be considered a **breach of contract** and may impact the vendor's **eligibility for future bids**.

ADDENDUM #5 TO PROPANE BID

Question:
In the event that the current propane vendor is not awarded the new contract, will they permit the incoming vendor to access their tanks in order to transfer any remaining propane?

Answer:
Yes. If, for any reason, the current vendor is not awarded the propane contract, their tanks will be made accessible to facilitate the transfer of propane to the new vendor's tanks.