# 023318 – Propane, Autogas (LPG), Parts and Service

Frequently Asked Questions (FAQ)

Contract FAQs

**Purchaser Related**

1. **Can I choose any awarded contractor to purchase from this contract?**

Multiple awards in category or region:

This contract has multiple awarded contractors to provide goods and services by category and region. All contractors went through the competitive solicitation process and were selected to be awarded on this contract as the highest scoring bidders for the specified category and region. Purchasers may not use a contractor to obtain goods and services from a category or region that was not awarded to that contractor. All contractors went through the competitive solicitation process and were selected to be awarded on this contract as the highest scoring bidders. State of Washington Agency customers are not required to conduct further competition to choose an awarded contractor. Other customers should follow their applicable rules regarding contractor selection.

1. **How can I determine the best awarded contractor to use?**

Enterprise Services recommends reviewing the contract summary page for information about the winning bids, including contractual information, pricing, and any special provisions. In addition, the winning bids are available, along with the bid tabulation summarizing Enterprise Services’ evaluation and scores for each contractor. Purchasers can also review the “vendor and contract performance feedback” submitted by other purchasers to Enterprise Services. Purchasers should email the Contract Administrator with the request to view the feedback. Please note that this survey information does not represent the opinion of Enterprise Services, simply feedback from purchasers.

Purchasers are encouraged to engage the awarded contractor(s) who best meet their requirements to obtain and review specific quotation(s) for their business need. Note that the pricing stated in these contracts is the **maximum** that contractors may charge purchasers. Purchasers are able to request and possibly negotiate deeper discounts, such as for bulk orders or large projects.

1. **What does it mean if the contractor is the main award vs reserved award?**

The contractors designated as main awards are businesses that participated in the competitive solicitation and were determined to be the highest scored, responsive, responsible bidders with no preference.

Reserved awards are set aside contracts awarded only to the next highest scored, responsive, responsible bidders certified as Washington Small and/or Veteran-owned businesses that participated in the competitive solicitation but did not achieve the highest overall scores to be designated as main awards.

All contract awards are the result of the competitive solicitation with the specified best value evaluation criteria in compliance with RCW 39.26 and state procurement policies. Per the guidance DES received from the Attorney General’s Office, since the competitive solicitation separated main and reserved award structures, purchasers that utilize federal funds can utilize main awards that achieved highest overall scores without preferences but might not be able to utilize contractors that were awarded only as reserved awards, since these awards are based on a preference. For questions related to a specific federal grant or funding source and how it might impact the purchasers’ ability to utilize the awards on this contract, please check with your Legal and/or Attorney General’s Office.

1. **Are there any standard templates that purchasers can use to engage awarded contractors?**

Enterprise Services has provided a Template SOW as a helpful resource for purchasers to use when documenting requirements and sharing those with contractors to obtain specific pricing and associated details of contractor’s services. The Template SOW is available in the Resources drop-down menu on the Contract Summary Page.

1. **Who can (or cannot) use this contract?**

Eligible purchasers include:

**Washington State Agencies**. All Washington state agencies, departments, offices, divisions, boards, and commissions.

**Washington State Institutions of Higher Education (Colleges).** Any the following institutions of higher education in Washington: State universities – i.e., University of Washington & Washington State University; Regional universities – i.e., Central Washington University, Eastern Washington University, & Western Washington University; Evergreen State College; Community colleges; and Technical colleges.

**CUA Parties**. Any of the following types of entities that have executed a [Contract Usage Agreement](https://apps.des.wa.gov/DESContracts/Home/MCUAListing) with Enterprise Services: Political subdivisions (e.g., counties, cities, school districts, public utility districts, ports) in the State of Washington; Federal governmental agencies or entities; Public-benefit nonprofit corporations (i.e., public benefit nonprofit corporations as defined in RCW 24.03A.245 who receive federal, state, or local funding); and Federally-recognized Indian Tribes located in the State of Washington.

**ORCPP Members**. All Oregon Cooperative Purchasing Program (ORCPP) Members. Note that ORCPP Members do not include Oregon state agencies subject to the Oregon Department of Administrative Services’ procurement authority.

Enterprise Services maintains a list of eligible Contract Usage Agreement parties on the [CUA Listing website.](https://apps.des.wa.gov/DESContracts/Home/MCUAListing)

1. **What is the pricing model?**

The pricing model is a weekly benchmark price used by all vendors added to a fixed fee price adder that varies by vendor. Both are linked on the contract summary page.

1. **How do I get involved with or participate in developing the solicitation that will replace this contract?**

Enterprise Services generally makes a determination on developing a new contract that replaces expiring contracts one year before the current contract expires. The solicitations that are currently in development appear on the [planned procurement](https://apps.des.wa.gov/DESContracts/Home/PlannedProcurement) page. If you are interested in participating, please contact the contract administrator listed on that page.

1. **What should a purchaser do if a contractor is not performing?  Who should a purchaser contact at Enterprise Services or how to escalate a performance issue with the contractor?**

If there is a contractor that is not preforming, the purchaser should first seek to resolve the issue directly with the contractor. If the performance issue is unresolved, reoccurring, or in need of escalation, please contact the Enterprise Services Contract Administrator listed on the contract page. Enterprise Services relies on purchasers that are working with the contractors to notify us of any issues. Enterprise Services staff can aggregate any contractor performance issues across purchasers to ensure good performance for all. Please send relevant information on the performance issue so that Enterprise Services staff can assist.

1. **How can I purchase greener products? How do I know a product is toxics free? Where did the environmental certifications/factors come from?**

Response

Please refer to the Enterprise Services [environmentally preferred purchasing page](https://des.wa.gov/services/contracting-purchasing/policies-training/resources/environmentally-preferred-purchasing) for more information.

**Contractor Related**

1. **When can I get added to the contract?**

Contracts can only be awarded to contractors that submit a bid on the opportunity when it is posted to WEBS.

Contracts for the state are awarded through a competitive solicitation process via our [online solicitation system WEBS.](https://pr-webs-vendor.des.wa.gov/) Enterprise Services has a [registration page](https://des.wa.gov/sell/how-work-state/register-bid-opportunities) that explains the registration process. If you have questions on the registration process, please contract WEBS customer service, (360) 902-7400.

Enterprise Services also has information on [doing business with the state](https://des.wa.gov/sell/how-work-state) for you to review. There is also a page on [bid opportunities](https://des.wa.gov/sell/bid-opportunities) with Enterprise Services, though all official opportunities are posted through WEBS.

1. **Who do I contact if I have invoice or vendor management fee questions?**

Please contact the contract administrator listed on the contract summary page.

1. **When are quarterly sales reporting due?**

Quarterly sales reports are due and past due based on the following timeframes:

|  |  |  |
| --- | --- | --- |
| **Sales Made**  | **Report Due By**  | **Report Past Due**  |
| 1 January – 31 March  | April 30  | May 1  |
| 1 April – June 30  | July 31  | August 1  |
| 1 July – September 30  | October 31  | November 1  |
| 1 October – December 30  | January 31  | February 1  |

Please check the [sales reporting website](https://apps.des.wa.gov/CSR/login.aspx) which has the following general [reporting instructions](https://apps.des.wa.gov/CSR/Vendor_Qtrly_Sales_Rpt.pdf).

1. **When are vendor management fee invoices due?**

After sales have been reported, contractors will receive an invoice to remit to Enterprise Services the vendor management fee payment. Please wait to receive an invoice from Enterprise Services before sending payment. This is to ensure your payment can be identified, accepted, and applied correctly. Contractor must pay the vendor management fee invoice within thirty (30) calendar days.

1. **Who do I contact for contact updates?**

Please contact the contract administrator listed on the contract summary page.

1. **How do I check for authorized purchasers?**

Please check the [Contracts Usage Agreement (CUA) signed agreement list](https://apps.des.wa.gov/DESContracts/Home/MCUAListing) to see the list of authorized purchasers for Enterprise Services contracts. The [[Washington State website](https://wa.gov/)](https://wa.gov/) can help navigate to the governmental entities on the list.

1. **How do I report EPP purchases? How do I submit products with green certifications?**

Please refer to the Enterprise Services [environmentally preferred purchasing page](https://des.wa.gov/services/contracting-purchasing/policies-training/resources/environmentally-preferred-purchasing) for more information.

**Older FAQ Questions:**

**Q.** The new Contract 02318 is effective February 1, 2019. My agency set up an account with a contractor under Contract 01709 and that same contractor is listed on the new Contract 02318 or our area so does our account automatically “roll-over” to the new contract?

**A.** Contract 01709 does not “roll-over” to Contract 02318. The new Contract 02318 has different terms, conditions and pricing. DES recommends that you contact the contractor, specifically request pricing for the new contract, re-establish your account information, verify and update contact information, delivery schedules and if additional services are required.

**Q.** What do we do when more than one contractor is available for our County or Region?

**A.** Please review DES’ recommendation on the following page under: “Multiple Contractors within your Region”.

**Q.** I have been purchasing from company XYZ from the state contract for many years but I find they are no longer a contractor for my area according to the new contract. They have promised to price match if I continue their services. Is there anything that prohibits me from doing so?

**A.** If a customer insists on continuing to use vendor XYZ that is no longer an awarded contractor for an area, they may do so through a separate contracting agreement under a separate purchase authority.

Contract 02318 is a Master Contract that all state agencies are required to use and the Political Subdivisions “may” use the contract provided they have no other agreements for propane and services in place. The Master Contract number 02318 is cited on the customer’s Purchase Orders as their authority to purchase propane and services and, it is also their authority to pay an invoice for contract purchases.

**Q.** Isn’t contract transition it just a matter of a phone call or two and a few emails to take care of the details?

**A.** Yes usually, but conditions can vary. Much of the transition time depends on who owns the propane tanks at your location(s). If your current contractor on Contract 01709 is going to be the same contractor on Contract 02318 then it should be a quick transition. If multiple contractors are available within your Region, it will take longer due to contractor selection. See Multiple Contractors within your Region on Page 4.

**Q.** It appears that there isn’t much time to transition our accounts to the new contract so do we risk a break in service? Is there a chance that we will run out of propane?

**A.** There is a sixty (60) day transition period through March 31, 2019. Although Contract 02318 will be effective February 1, 2019, DES extended Contract 01709 through March 31, 2019 to provide contract coverage for propane until customers can transition to Contract 02318.

**Q.** If my location is not able to complete the transition for several weeks after February 1, 2019 are we still entitled to the new prices listed on Contract 02318?

**A.** Contractors will charge pricing related to a specific contract. If you have not completed transition to Contract 02318 prior to February 1, 2019 you are to pay Contract 01709 prices until you transition.

**Q.** What if we don’t complete the transition timely and go past the March 31, 2019 end date for Contract 01709?

**A.** Should you run past the contractual protections of Contract 01709, you are no longer under any propane service agreements or, entitled to contract protections or pricing under 01709. For the interim, you must seek other options.

**Q.** There are multiple contractors available within our Region; the contractor we have been using for years is on the new contract for our area. We like their services and although their Adder price is only a few cents higher we have developed a great business rapport with them and so we are not interested in changing contractors. Is there any problems with that?

**A.** Contract 02318 enables many customers to make their purchase decisions based on Best Value through a simple price analysis. Using your Estimated Annual Volume, calculate the Adder price difference per gallon between the contractors over an 8-year period. The results may surprise you.

**Q.** The contract runs for a total of eight (8) years. Do we have to agree to use the contract for the entire eight years?

**A.** If you are with a state agency the contract is mandatory use but you should specify start and stop dates on your purchase order documents. Just remember to renew your agreements timely to ensure that you experience no gap in coverage.

If you are with a political subdivision the contract is not mandatory and you should specify start and stop dates on your purchase order documents to suit the administrative needs of your organization.

**Q.** What is Auto Gas? Isn’t it the same thing as gas for your auto?

**A.** Auto Gas or, Liquid Petroleum Gas (LPG) is a condensed propane liquid. Only vehicles equipped to run on LPG can use Auto Gas.

**Q.** I’ve seen the propane truck deliver propane to the tanks for our facilities and then deliver auto gas to our vehicle fueling station from the same fuel truck. Aren’t they two different things?

**A.** Propane and Auto gas are the same, they are delivered in the same fuel truck, the difference is that Auto gas is in liquid form (LPG) or, Liquid Petroleum Gas for combustion in an “on-road” vehicle engine. The other difference between the two is that Auto gas has a higher tax rate for on road use.

**Q.** Where are the Prompt Payment Discounts listed in the contract?

**A.** The contractors did not offer Prompt Payment Discounts. The payment terms are the state’s standard Net 30 days from the date of delivery.

**Q.** What is “Renewable Propane” and, why is it so expensive if it’s renewable?

**A.** The HD5 (Auto gas grade) is a fossil fuel, and is the most commonly used and the most widely available propane type.

Renewable Propane and, Renewable Naphtha is produced as by-products through the conversion of beef fats, animal and vegetable oils into Renewable Diesel fuel. The bio refinery currently producing the renewable propane currently available on Contract 02318 is located in Louisiana so transportation and distribution costs are the main factors for the higher costs. We will eventually see lower prices for renewable propane as its demand increases over time. The industry will adjusts to increased demand and when local refineries begin producing this product the transportation and distribution costs will decrease significantly.

Multiple Contractors within your Region:

Some Counties or Regions lists that more than one contractor is available on contract. You may find the following steps useful in your contractor selection:

1. Review the state map:
* Identify the appropriate region where the contract services are required.
* Click on the link within the individual regions to see all of the contractors within region selected.
* Select the Contractor and click on the Contact information tab to review contractor’s information (i.e., address, contact personnel, etc.).
* Click on the Contactor’s price spreadsheets to review their pricing and compare pricing between the Contractors to ensure the best value for your location.
1. Customer Account Information:
* Even if you have conducted prior business with any of the Contractors, you must update your account to ensure accuracy of contact information, addresses, phone numbers and if your agency is tax exempt.
* Do not assume that the Contractor will automatically provide state contract pricing. Customers must specify that they want state contract pricing or they risk being liable for non-contract prices, which are likely to be much higher.
1. Review the DES weekly [Propane](https://fortress.wa.gov/es/apps/priceinfo/Propane01709.aspx?date=NA) price update. This page displays the current the weekly propane contract average price per gallon. This amount per gallon listed on this page must be added to the Contractor’s price per gallon listed in their Regional Price Pages.
2. Your Agency’s total cost for propane per gallon is the weekly price listed in the Propane price update plus the “Adders” price listed in the Regional Price Page and is based on your estimated annual sales volume.
3. How do you determine your annual sales volume? Contact your financial office and your current Propane Sales Representative.

This Contract divides Washington State into six (6) regions. Some contractors have agreed to provide service in all regions or all areas within a region, or only specific counties within a region.

DES encourages customers to review the terms, conditions and services provided by the various Contractors to determine the best overall fit for their agency’s needs. If clarification or further information is required, contact the Contractors directly.

During your selection process, you may choose to interview a new Contractor. They must schedule a site assessment and although you may know your location’s needs, you may find the additional expertise of the industry to be of great value towards your final purchase decision.