



Memorandum

To: Livingston County Board of Commissioners
From: Greg Kellogg, Transportation Director
Date: 10/27/2020
**Re: Resolution Authorizing an Agreement with Corrigan Propane, LLC to
Provide LPG Fuel Services for Transit Vehicles – LETS**

LETS began operating 6 propane-fueled transit vehicles in 2015 and currently has a fleet of 18, or roughly 55% of the fleet. Propane has proven to be a safe and reliable fuel that is cleaner-burning and more cost-effective than gasoline or diesel.

Not only have fuel costs been low and stable—our 5-year average delivered cost is \$1.14 per gallon—but we have also realized significant vehicle maintenance savings as a result of lower carbon output and low-maintenance engine components. Moreover, we have claimed the federal Alternative Fuel Tax Credit each year since 2015, effectively reducing our 5-year average cost to 64-cents per gallon after the credit is applied (it has been extended through the 2020 tax year).

Our previous agreement with Corrigan Propane, LLC, expired in September 2020 so a competitive bid process was performed through CoPro+ with bid notifications posted on the County website and BidNet website. The Scope of Services is consistent with the previous solicitation and includes fuel delivery and a no-cost equipment lease (fuel tank and dispensing system).

Two responses were received and a synopsis of the bids is attached. The low bidder was again Corrigan Propane, LLC of Brighton, MI with a delivered cost of \$1.0141 per gallon, which includes the raw fuel cost as of October 6, 2020 plus a delivery fee of \$0.35 per gallon, and a continuation of the no-cost equipment lease. This vendor demonstrated reliability and responsiveness during our previous agreement period and I recommend the award.

The base contract period will be three (3) years with two (2) one-year renewal options for a total contract period not to exceed five (5) years. Funding for propane fuel is included in the annual LETS operating budget and is eligible for reimbursement under state and federal operating grants.

Please do not hesitate to contact me with any questions at 517-540-7843.