

3 Ways Propane Can Save Fuel Costs



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Fuel costs comprise one of the largest line items on a professional landscape contractor's budget each month. Like other budgetary line items – including labor – fuel is an unavoidable cost of doing business. Many variables go into how much a landscaper will ultimately dole out in fuel costs each month.

The actual price per gallon of the fuel is a large factor, but it isn't the only one. Sometimes, market fluctuations tip fuel prices in the contractor's favor, which leads to a season of better margins for many contractors, as they did last year. But rather than leave a fuel budget up to the whims of the energy market, what steps can landscape contractors proactively take to help lower fuel expenses for the long term?

One solution many contractors are turning to is alternative fuels. For instance, by turning over a fleet to propane power, contractors can save on fuel costs in many ways. Annual fuel contracts, increased refueling efficiency and the reduction of fuel – all benefits of propane mowers – can help contractors lower their fuel costs and make it a more predictable expense from month to month.



Changing a propane tank on a mower can be a time saver as it is faster than stopping at a gas station to refuel.

Locking in annual contracts

Landscape contractors with gasoline-fueled mower fleets have enjoyed a period of exceptional savings at the pump for the last 12 months. While gasoline prices are still very tolerable, the trend across the country is heading upward again. In fact, the national average rose above \$2.50 for a gallon of gasoline in late April for the first time in four months, according to AAA. These price swings are difficult to build a budget around.

An annual fuel contract is an attractive option many propane providers offer. It allows landscapers to lock in a set price per gallon, ensuring they'll pay a consistent price for propane year-round. The arrangement insulates contractors from fluctuations in fuel price and leads to fuel savings.

While the dropping price of oil was a well-reported news item for much of last summer and fall, what wasn't often mentioned was that the decline in price also happened with the price of propane when used as an engine fuel. Propane prices often fall alongside the price of oil because propane comes from two sources: refining crude oil and refining natural gas. This keeps the price somewhere between the two commodities.

Because propane prices naturally go down when crude oil goes down, some propane retailers will even offer their customers contracts that guarantee propane rates remain at a mutually agreed upon amount below the current local price of gasoline as a further enticement to convert to propane.

Regardless of a large price swing, as was the case in 2014, the cost of propane will typically fluctuate seasonally because of the high demand for propane space heating during the winter months. Savvy contractors can use this seasonal price fluctuation knowledge to lock in a year-long fuel rate when propane is typically at a low point for the year. But even landscapers who choose not to lock in a bulk contract will see a dip in fuel costs over the summer when there's a decrease in demand.

Bill Burns, fleet operations manager for the [Columbus Recreation and Parks Department](#), still saves about 50 cents per gallon fueling with propane when compared to gasoline and expects larger savings by executing an annual fuel contract. "Our refueling program works really well so far, and we haven't even entered into a bulk rate contract yet," Burns says. "Once we set a contract rate, I can imagine we'll save about 50 percent or more on fuel costs and it will allow us to better budget our fuel spend."

Efficient refueling options for increased productivity

Propane can also increase crew productivity by making refueling more efficient. This increase in efficiency might sound like a small benefit to a contractor's bottom line, but it can add up.

Depending on the fleet size and specific needs, contractors who operate propane-powered mowers can select between two refueling practices: installing on-site refueling infrastructure or executing a cylinder exchange program. Both options help increase the time mowers are operational – and generating revenue – by limiting downtime associated with refueling. Unlike with gasoline, for instance, a crew may be required to go several miles out of its way each morning or between jobs to refuel at a gas station.



Contractors can contract with their propane dealers to receive fuel twice weekly at their shops via a cylinder exchange program.

Installing on-site refueling infrastructure includes one large tank or more and a no-spill dispenser, which employees are trained to use by their propane provider to refill empty cylinders. The contractor then refuels propane cylinders as needed, while the propane provider would refill the bulk tank on an as-needed basis.

A cylinder exchange program offers the same hassle-free benefits for contractors who may not use as much fuel to warrant an onsite tank. In a cylinder exchange program, the retailer delivers full propane cylinders to a landscaper's site and switches out empty cylinders for full ones on a regular schedule. With this option, propane retailers will train landscapers and crews on how to properly handle and store empty and full cylinders so the retailer knows which ones to take.

Kevin Salters, with [Russo Lawn & Landscape](#) in Windsor Locks, Connecticut, says converting its mowers to propane and the more efficient refueling process that came with the switch saved the company about an hour per day in labor costs. Russo participates in a cylinder exchange program. Its propane retailer comes out twice a week to switch out empty tanks for full cylinders. With propane, Russo employees don't have to spend time refueling at the gas station every morning.

"All we sell are hours, so whenever we save time it goes to our bottom line," Salters says. "The efficiency of changing a propane tank rather than filling a mower with gas is way faster."

Contractors who have grown their propane-powered fleet and require a large volume of propane on demand may fare better with an installed on-site refueling infrastructure. This option gives contractors the ability to handle refueling their own empty cylinders or refuel propane-powered-autogas pickups. Propane retailers can help determine whether a contractor is ready for an on-site infrastructure based on annual usage and how many "units" a contractor runs.

[Stay Green Inc.](#), based in Santa Clarita, California, chose to install five refueling pumps at three locations to increase the refueling efficiency of its 66-mower fleet.

"We used to spend a lot of time going and filling up the gas-powered mowers," says Grant Clack, operations manager with Stay Green. "With our propane provider, now that time has been cut down by 100 percent. None of our man-hours now are spent out in the field wasting time by filling gas tanks for the gas-powered mowers."

With a 52-week cutting season, being as efficient as possible altered its bottom line for the better. "Propane is costing us half the traditional gas method per gallon," says Chris Angelo, president and CEO of Stay Green.



Contractors can save money not only because of propane's lower price compared to gasoline, but also through refueling efficiencies.

Spillage/pilferage

In addition to the inefficiencies that come with refueling with gasoline, fuel spillage and theft are also issues contractors unfortunately have to deal with from time to time. Whenever fuel needs to be placed in a mower's tank, there is an opportunity for spillage or theft. Either scenario can do harm to a contractor's bottom line.

Salters says it's a relief to no longer have to deal with fuel theft.

"Guys park their trailers in a parking lot on a 100-acre facility, and gasoline can easily be stolen," Salters says. "There's no chance of that with propane."

Propane operates on a closed fuel system, which virtually eliminates theft, including the potential for employee pilferage.

The fuel system in a propane-powered mower works much the same as a gasoline model. The main difference is that propane is a gaseous fuel that is a vapor at normal air pressure and temperature. Propane fuel is stored as a liquid under pressure in the fuel cylinder, but turns to a vapor when it leaves the pressurized fuel cylinder and enters the fuel lines before entering the engine. This is different from a gasoline mower where the fuel remains in a liquid state until it hits the carburetor or fuel injectors.

For contractors wanting an alternative to dealing with the inevitable ups and downs of the oil market, propane can be their solution for lowered fuel costs through its increased refueling efficiencies and worker productivity in addition to being a low-cost option.

PHOTOS: PROPANE EDUCATION & RESEARCH COUNCIL