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**City of Las Cruces**<sup>®</sup>  
 PEOPLE HELPING PEOPLE

**Council Action and Executive Summary**

Item # 11 Ordinance/Resolution #10-11-437 Council District: N/A

For Meeting of January 18, 2011  
 (Adoption Date)

**TITLE:**

**A RESOLUTION TO AWARD AN INDEFINITE QUANTITY, INDEFINITE COST PRICE AGREEMENT FOR BIODIESEL FUEL TO RIO VALLEY BIOFUELS, LLC OF ANTHONY, NEW MEXICO FOR A TERM OF FIVE (5) YEARS SUBJECT TO APPROVED BUDGET APPROPRIATIONS AND ANNUAL RENEWAL FROM ORIGINAL BID NO 10-11-437.**

**PURPOSE(S) OF ACTION:**

To award Biodiesel Fuel price agreement.

<b>Drafter and Staff Contact:</b> <i>DDH 12/29/10</i> Donald Haskins/Fleet Administrator		<b>Department:</b> Facilities/Fleet Services		<b>Phone:</b> (575) 541-2596	
<b>Department</b>	<b>Signature</b>	<b>Phone</b>	<b>Department</b>	<b>Signature</b>	<b>Phone</b>
Department Director	<i>[Signature]</i>	541-2651	Budget Assistant City Manager	<i>[Signature]</i>	541-2107
Other					541-2271
Legal	<i>[Signature]</i>	541-2128	City Manager	<i>[Signature]</i>	541-2076

**BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:**

New Mexico Statutes 57-19-28 and 57-19-29 mandate that after July 1, 2010, diesel fuel sold to public schools for use in operating on-road motor vehicles must contain at least 5% biodiesel (B5). After July 1, 2012, diesel fuel sold to consumers for use in on-road motor vehicles must contain at least 5% biodiesel (B5).

Based on this mandate, since diesel fuel is supplied to the public schools by the City of Las Cruces, Fleet Services recommends award of the Biodiesel Fuel Pricing Agreement Bid No 10-11-437 to Rio Valley Biofuels, LLC of Anthony, NM for an indefinite quantity, indefinite cost.

The purpose of this pricing agreement is to provide the most economical method of procurement of biodiesel fuel for City of Las Cruces Fleet Services customers at the most economical cost. Utilization of pricing agreements allows Fleet Services staff to economically procure bulk fuel in the most effective manner.

(Continue on additional sheets as required)

This Price Agreement is to be used on an as needed basis. Funding will be through the Fleet Services Cost of Motor Fuel Account No. 61003050-730930. Revenues will be realized by charging the various departments throughout the City of Las Cruces.

**SUPPORT INFORMATION:**

1. Resolution No. 10-11-437.
2. Exhibit "A" – Purchasing Manager’s Request to Contract (PMRC)
3. Exhibit "B" – Fleet Management Request to Award Memo
4. Exhibit "C" – Bid Tabulation Sheet

**SOURCE OF FUNDING:**

<b>Is this action already budgeted?</b>	Yes	<input checked="" type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from: _____
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
<input type="checkbox"/>		Proposed funding is from fund balance in the _____ Fund.	
<b>Does this action create any revenue?</b>	Yes	<input checked="" type="checkbox"/>	Funds will be deposited into this fund: 6150-543643 in the amount of \$ 1,620,250.
	No	<input type="checkbox"/>	There is no new revenue generated by this action.

**FUND EXPENDITURE SUMMARY:**

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
Fleet Services Cost of Motor Fuel	61003050-730930	\$1,620,250	\$1,620,250	\$0	

(Continue on additional sheets as required)

**OPTIONS / ALTERNATIVES:**

1. Vote "Yes"; this will approve the Resolution to award an indefinite quantity, indefinite cost price agreement for biodiesel fuel to Rio Valley Biofuels, LLC of Anthony, New Mexico.
2. Vote "No"; this will deny the Resolution and prohibit the indefinite quantity, indefinite cost price for biodiesel fuel. This would require Fleet Management to bid out the Biodiesel Fuel Pricing Agreement or pursue other options as directed by City Council. These options may result in a higher cost to the City of Las Cruces, New Mexico.
3. Vote to "Amend"; this could modify the Resolution and advise staff of necessary adjustments as deemed appropriate.
4. Vote to "Table"; this could delay the purchase of biodiesel fuel and may have an effect on the efficiency of services to the citizens of Las Cruces, New Mexico.

(Continue on additional sheets as required)

**RESOLUTION NO. 10-11-437**

**A RESOLUTION TO AWARD AN INDEFINITE QUANTITY, INDEFINITE COST PRICE AGREEMENT FOR BIODIESEL FUEL TO RIO VALLEY BIOFUELS, LLC OF ANTHONY, NEW MEXICO FOR A TERM OF FIVE (5) YEARS SUBJECT TO APPROVED BUDGET APPROPRIATIONS AND ANNUAL RENEWAL FROM ORIGINAL BID NO 10-11-437.**

The City Council is informed that:

**WHEREAS**, on behalf of the City of Las Cruces, Fleet Services requests to award the Biodiesel Fuel Pricing Agreement; and

**WHEREAS**, Bid No. 10-11-437, remains effective and compliant with published specifications; and

**WHEREAS**, this is a request for approval of an indefinite quantity, indefinite cost pricing agreement for a term not to exceed five (5) years subject to approved budget appropriations and annual renewal; and

**NOW, THEREFORE**, Be it resolved by the governing body of the City of Las Cruces:

**(I)**

**THAT** an indefinite quantity, indefinite cost pricing agreement of a term not to exceed five (5) years, subject to approved budget appropriations and annual renewal for Biodiesel Fuel be awarded to Rio Valley Biofuels, LLC of Anthony, New Mexico.

**(II)**

**THAT** funding will be through the Fleet Services Cost of Motor Fuel Account No. 61003050-730930.

**(III)**

**THAT** City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

APPROVED:

(SEAL)

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

Moved by: \_\_\_\_\_

Seconded by: \_\_\_\_\_

VOTE:

Mayor Miyagishima: \_\_\_\_\_

Councillor Silva: \_\_\_\_\_

Councillor Connor: \_\_\_\_\_

Councillor Pedroza: \_\_\_\_\_

Councillor Small: \_\_\_\_\_

Councillor Sorg: \_\_\_\_\_

Councillor Thomas: \_\_\_\_\_

Approved as to Form:

  
\_\_\_\_\_  
City Attorney

# CITY OF LAS CRUCES

## PURCHASING MANAGER'S REQUEST TO CONTRACT

For Meeting of: January 18, 2011

Resolution No.: 10-11-437

### Contract Purchase For Biodiesel Fuel Price Agreement

The Las Cruces City Council is provided the following information concerning this request:

**BID SOLICITATION INFORMATION:**

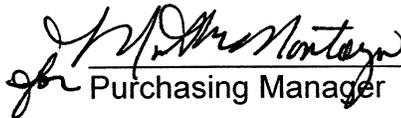
1. Bid Due Date: November 23, 2010
2. Description: Biodiesel Fuel Price Agreement
3. Using Department: Facilities/Fleet
4. Number of Responses Accepted: Two (2)
5. Recommended Award(s) To: Rio Valley Biofuels, LLC of Anthony, NM
6. Total Award Amount (includes any tax and contingency): Indefinite Quantity/Cost
7. Contract Duration: **Five (5) years subject to annual renewals and approved budget**

**LOCAL PREFERENCE FACTOR**

Local Preference Factor Applied Per LCMC §24-100	No	<b>X</b>	LCMC §24-100 not applicable to this solicitation
	Yes		Made A Difference To Bid Awards(s)
			Made No Difference To Bid Award(s)

**PROCUREMENT CODE COMPLIANCE:**

The City of Las Cruces Procurement Code was administered in the conduct of this procurement and approval to purchase is hereby requested pursuant to **Section 24-91**.

  
Purchasing Manager

1/23/10  
Date

**CONFIRMATION OF FUND ENCUMBRANCE:**

REQUISITION or PURCHASE ORDER NUMBER:	Various
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**City of Las Cruces**

TO: Martha Montoya, Contract Analyst  
FROM: Donald Haskins, Fleet Maintenance Administrator *dlh*  
DATE: December 21, 2010  
SUBJECT: Acceptance Memo for Biodiesel Fuel Bid No. 10-11-437  
FILE NO: F-10-174

Fleet Services staff has reviewed the bid submitted for the Biodiesel Fuel Bid No. 10-11-437 and is recommending award to Rio Valley Biofuels, LLC., which is a local business, for an indefinite quantity, indefinite cost.

The bid submitted was compliant with the published specifications of Bid No. 10-11-437, and Fleet Services considers the bid to represent a fair and equitable agreement for the City of Las Cruces.

Requisition No. 11102317 has been generated utilizing Cost of Motor Fuel and Oil Account No. 61003050-730930.

Should you have any questions, please contact me at 541-2596.

cc: Brian Denmark, Facilities Director *BD*

10 DEC 22 10:53 AM



CITY OF LAS CRUCES PURCHASING DEPARTMENT  
 ABSTRACT/ABSTRACT OF BID: 10-11-437 Biodiesel Fuel Price Agreement  
 OPENING DATE: November 23, 2010

Exhibit C

ITEM	DESCRIPTION	QTY	AFIS BIODIESEL FUEL INDEX	MARGIN	UNIT PRICE	PRICE EXT	AFIS BIODIESEL FUEL INDEX	MARGIN	UNIT PRICE	PRICE EXT
	Bulk B20 Biodiesel Fuel	400000	2.8357	0.0221	2.8578	\$1,143,120.00	2.8357	0.0000	2.8357	\$1,134,280.00
<b>DELIVERY:</b> 12 days <b>PRICES EFFECTIVE THROUGH:</b> 12/31/11 <b>PAYMENT TERMS:</b> Net 30 days One time fee for cleaning & biocide treatment for first year 1 Biocide Treatment for all tanks Filtration Process Liquid Disposal										
			12 days 12/31/11 Net 30 days \$200.00 \$29.00 \$12.00		2 days 12/31/11 Net 30 days \$200.00 \$29.00 \$12.00					

IPC (USA), Inc.  
 20 Pacifica, Suite 650  
 Irvine, CA 92618  
 PH: 949-948-5620  
 FAX: 949-948-5612  
 E-mail: bianca.turitto@usipc.com

Rio Valley BioFuels, LLC  
 1940 Anthony Dr.  
 Anthony, NM 88021  
 PH: 575-882-5190  
 FAX: 575-882-2533  
 E-mail: betcher@riovalleybiofuels.com

NoBids: Porter Oil Company  
 Non-Compliant: Transmountain Oil Co.

Prepared by: Teri Bewley, Bid Clerk  
 Verified by: Martha Montoya, Buyer

Response Under Review