



City of Las Cruces[®]

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 17

Ordinance/Resolution # 10-11-569

For Meeting of _____
(Ordinance First Reading Date)

For Meeting of June 6, 2011
(Adoption Date)

TITLE: A RESOLUTION APPROVING AN INDEFINITE QUANTITY, INDEFINITE COST PRICE AGREEMENT FOR BULK FUEL TO SOUTHERN COUNTIES OIL CORPORATION OF ORANGE, CALIFORNIA. THIS IS FOR THE FIFTH AND FINAL YEAR OF A POSSIBLE FIVE YEAR COST PRICE AGREEMENT FROM ORIGINAL BID NO. 05-06-487 AND AS AMENDED BY RESOLUTION NO. 08-09-342.

PURPOSE(S) OF ACTION:

Authorize extension of Bulk Fuel Pricing Agreement.

COUNCIL DISTRICT: ALL		
<u>Drafter/Staff Contact:</u> Donald Haskins <i>don 5/20/11</i>	<u>Department/Section:</u> Facilities/Fleet Services	<u>Phone:</u> 541-2596
<u>City Manager Signature:</u>		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

This Resolution is to extend the current pricing agreement with Southern Counties Oil Corp., of Orange, CA. The purpose of this pricing agreement is to provide the most economical method of procurement of bulk fuel for City of Las Cruces Fleet Management customers at the most economical cost. Utilization of pricing agreements allows Fleet Management staff to economically procure bulk fuel in the most effective manner.

This price agreement is to be used on an as-needed basis. Funding will be through the Fleet Services cost of motor fuel account number 61003050-730930. Revenues will be realized by charging the various departments throughout the City of Las Cruces.

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A" - Purchasing Manager's Request to Contract Form (PMRC).
3. Exhibit "B" - Fleet Management Memo Requesting Extension.

SOURCE OF FUNDING:

Is this action already budgeted?	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.
Does this action create any revenue?	Yes	<input checked="" type="checkbox"/>	Funds will be deposited into this fund: 6150-543643 in the amount of \$2,806,761 for FY11-FY12.
	No	<input type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

N/A

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	Indefinite	\$513,000	\$0	

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will award the fifth and final year of a possible five year pricing agreement for bulk fuel from original Bid No. 05-06-487 and as amended by Resolution No. 08-09-342 to Southern Counties Oil Corporation of Orange, California.
2. Vote "No"; this will prohibit the extension of the Bulk Fuel Pricing Agreement. This would require Fleet Management to bid out the Bulk Fuel Pricing Agreement or pursue other options as directed by City Council. These options may result in a higher cost to the citizens of Las Cruces, NM.
3. Vote to "Amend"; this could modify the Resolution and advise staff of necessary adjustments as deemed necessary.
4. Vote to "Table"; this could cause a delay in the purchase of bulk fuel for the City of Las Cruces fleet vehicles.

(Continue on additional sheets as required)

REFERENCE INFORMATION:

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

1. Resolution No. 09-10-418
2. Resolution No. 08-09-342

RESOLUTION NO. 10-11-569

A RESOLUTION APPROVING AN INDEFINITE QUANTITY, INDEFINITE COST PRICE AGREEMENT FOR BULK FUEL TO SOUTHERN COUNTIES OIL CORPORATION OF ORANGE, CALIFORNIA. THIS IS FOR THE FIFTH AND FINAL YEAR OF A POSSIBLE FIVE YEAR COST PRICE AGREEMENT FROM ORIGINAL BID NO. 05-06-487 AND AS AMENDED BY RESOLUTION NO. 08-09-342.

The City Council is informed that:

WHEREAS, on behalf of the City of Las Cruces, the Fleet Services Section requests the extension of the Bulk Fuel Pricing Agreement; and

WHEREAS, City of Las Cruces Bid No. 05-06-487, and as amended by Resolution No. 08-09-342, remains effective and compliant with published specifications; and

WHEREAS, this is a request for approval of the fifth and final year of a possible five year indefinite quantity, indefinite cost pricing agreement.

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

(I)

THAT the fifth and final year of a possible five year indefinite quantity, indefinite cost pricing agreement for bulk fuel be awarded to Southern Counties Oil Corporation of Orange, California.

(II)

THAT funding will be through the Fleet Services cost of motor fuel account number 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:

Mayor

ATTEST:

City Clerk

(SEAL)

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: June 6, 2011

Resolution No.: 10-11-569

Existing Contract Purchase For Bulk Fuel Price Agreement Final Year (Year 5 of 5)

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

BID/RFP SOLICITATION INFORMATION:

- 1. Original Bid/RFP & Due Date: **RFP # 05-06-487/July 6, 2006**
- 2. Description of Bid/RFP: **Bulk Fuel Pricing Agreement**
- 3. Number of Original Responses **Three (3)**
- 4. Existing Contract Expiration Date: **October 1, 2010**
- 5. Last Contract Renewal by Council: **Resolution No. 09-10-418/ November 16, 2009**
- 6. Using Department: **Facilities/Fleet**
- 7. Current Award Recommendation To: **Southern Counties Oil Corporation
Of Orange, CA**
- 8. Total Award Amount: **Indefinite Quantity/Indefinite Cost**
- 9. Contract Duration: **October 1, 2011**

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 24-316.**


 Purchasing Manager

1/5/20/11
 Date

CONFIRMATION OF FUND ENCUMBRANCE:

REQUISITION OR PURCHASE ORDER NUMBER:	11200111
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**City of Las Cruces**®

TO: Bob Telles, Purchasing Manager
FROM: Terri Singleton, Assistant Operations Analyst *TS*
DATE: May 20, 2011
SUBJECT: Extension for Amended Bulk Fuel Pricing Agreement
FILE NO: F-11-067

The current contract for the Bulk Fuel Pricing Agreement expired November 3, 2010. The City of Las Cruces, Fleet Management Section, is requesting to extend this agreement for the fifth and final year, on Original Bid No. 05-06-487, and as amended by Resolution No. 08-09-342, providing Southern Counties Oil, Corp., agrees to the same terms and conditions.

Funding for this agreement will come from Account No. 61003050-730930. The new order is for an indefinite quantity, indefinite cost. Purchase Order No. 11200111 will be extended through June 30, 2011, with a new requisition to be submitted after July 1, 2011 to expire November 3, 2011.

Should you have any questions, please contact me at 541-2579.

cc: Donald Haskins, Fleet Services Administrator *dlh*
5/20/11