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City of Las Cruces[®]
 PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 4 Ordinance/Resolution# 12-13-310

For Meeting of _____
 (Ordinance First Reading Date)

For Meeting of October 1, 2012
 (Adoption Date)

Please check box that applies to this item:

QUASI JUDICIAL LEGISLATIVE ADMINISTRATIVE

TITLE: A RESOLUTION TO AWARD AN INDEFINITE QUANTITY, INDEFINITE COST PRICE AGREEMENT FOR DIESEL FUEL TO PETROLEUM TRADERS CORPORATION OF FORT WAYNE, INDIANA, AND FOR UNLEADED FUEL TO SOUTHERN COUNTIES OIL CO., A CALIFORNIA LIMITED PARTNERSHIP OF ORANGE, CALIFORNIA FOR A TERM OF FIVE (5) YEARS SUBJECT TO APPROVED BUDGET APPROPRIATIONS AND ANNUAL RENEWAL FROM ORIGINAL BID NO. 12-13-310.

PURPOSE(S) OF ACTION:

Diesel and unleaded fuel price agreement award.

COUNCIL DISTRICT: N/A		
<u>Drafter/Staff Contact:</u> Sergio Acosta <i>SA</i>	<u>Department/Section:</u> Transportation/Fleet Management	<u>Phone:</u> 541-2596
<u>City Manager Signature:</u>		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

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

On June 6, 2012, the City of Las Cruces advertised an Invitation to Bid for Bid No. 12-13-310 – Bulk Fuel Price Agreement. The Invitation to Bid closed on August 2, 2012 at 2:00 P.M. At the time of closing; eight (8) bids were received for the Bulk Fuel Price Agreement. Upon tabulating bids, C & R Distributing, LLC was the low, responsible, responsive bidder, but C & R Distributing later removed their bid from the bidding process.

The City's Fleet Management Section reviewed the remaining bids and recommends that Council award the Bulk Fuel Price Agreement to Petroleum Traders Corporation, of Fort Wayne,

Indiana for the procurement of diesel fuel, and to Southern Counties Oil Co. (SC Fuels), a California limited partnership, of Orange, California, for the procurement of unleaded fuel.

The Bulk Price Fuel Agreement will be for a term of one (1) year with four (4) one (1) year options to renew. Renewal options are subject to Council approval.

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A", Purchasing Manager's Request to Contract (PMRC).
3. Attachment "A", Fleet Management Request to Award Memorandum.
4. Attachment "B", Bid Tabulation.

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 the _____ Fund.
Does this action create any revenue?	Yes	<input checked="" type="checkbox"/>	Funds will be deposited into this fund: <u>6150-543643</u> in the amount of <u>\$2,353,516.82</u> for FY12/13.
	No	<input type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

This price agreement is to be used on an "as need basis". Funding will be through the Fleet Management Cost of Motor Fuel & Oil Account No. 61323010-730930. \$2,353,516.82 is the current available funding as of 09/13/2012.

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
6150:Fleet Services Cost of Motor Fuel & Oil	61323010-730930	\$2,353,516.82	\$2,353,516.82	\$0.00	N/A

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the Resolution to award an indefinite quantity, indefinite cost price agreement for diesel fuel to Petroleum Traders Corporation of Fort Wayne, Indiana, and unleaded fuel to SC Fuels, a California limited partnership, of Orange, California.
2. Vote "No"; this will deny the Resolution and prohibit the indefinite quantity, indefinite cost price agreement for diesel and unleaded fuel. This would require Fleet Management to re-bid the Bulk Fuel Price Agreement, or pursue other options as directed by City Council; which may result in a higher cost to the City of Las Cruces.
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 for diesel and unleaded fuel and may have an effect on the efficiency of services.

REFERENCE INFORMATION:

N/A

RESOLUTION NO. 12-13-310

A RESOLUTION TO AWARD AN INDEFINITE QUANTITY, INDEFINITE COST PRICE AGREEMENT FOR DIESEL FUEL TO PETROLEUM TRADERS CORPORATION OF FORT WAYNE, INDIANA, AND FOR UNLEADED FUEL TO SOUTHERN COUNTIES OIL CO., A CALIFORNIA LIMITED PARTNERSHIP OF ORANGE, CALIFORNIA FOR A TERM OF FIVE (5) YEARS SUBJECT TO APPROVED BUDGET APPROPRIATIONS AND ANNUAL RENEWAL FROM ORIGINAL BID NO. 12-13-310.

The City Council is informed that:

WHEREAS, the Fleet Management Section, on behalf of the City of Las Cruces, requests to award the Bulk Fuel Price Agreement; and

WHEREAS, Bid No. 12-13-310 remains effective and compliant with published specifications; and

WHEREAS, eight (8) bids were received for the Bulk Fuel Price Agreement; and

WHEREAS, the Fleet Management Section reviewed the remaining bids; the low, responsible, responsive diesel fuel bid was from Petroleum Traders Corporation of Fort Wayne, Indiana, and the low responsive, responsible unleaded fuel bid was from Southern Counties Oil Co. ("SC Fuels"); a California limited partnership of Orange, California; and

WHEREAS, the Fleet Management Section recommends that the Bulk Fuel Price Agreement be awarded to Petroleum Traders Corporation for diesel fuel, and to SC Fuels for unleaded fuel in an indefinite quantity, indefinite cost price agreement for a term not to exceed five (5) years subject to approved budget appropriations and annual renewal by City Council.

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

(I)

THAT an indefinite quantity, indefinite cost price agreement of a term not to exceed five (5) years, subject to approved budget appropriations and annual renewal for diesel fuel be awarded to Petroleum Traders Corporation of Fort Wayne, Indiana for diesel fuel, and to Southern Counties Oil Co., a California limited partnership, of Orange, California for unleaded fuel.

(II)

THAT the Purchasing Manager is allowed to contract with Petroleum Traders and Southern Counties Oil, Co., as outlined in the signed Exhibit "A", Purchasing Manager's Request to Contract form.

(III)

THAT funding will be through the Fleet Management Cost of Motor Fuel & Oil Account No. 61303010-730930.

(IV)

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

DONE AND APPROVED this _____ day of _____, 20_____.

APPROVED:

Mayor

ATTEST:

City Clerk

(SEAL)

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:

VOTE:

Mayor Miyagishima: _____

Councillor Silva: _____

Councillor Smith: _____

Councillor Pedroza: _____

Councillor Small: _____

Councillor Sorg: _____

Councillor Thomas: _____



City Attorney

CITY OF LAS CRUCES

PURCHASING MANAGER'S REQUEST TO CONTRACT

For Meeting of: October 1, 2012

Resolution No.: 12-13-310

Contract Purchase For Bulk Fuel

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

BID SOLICITATION INFORMATION:

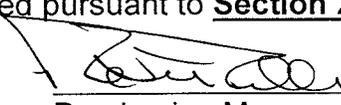
1. Bid Due Date: **August 2, 2012**
2. Description: **Bulk Fuel Price Agreement**
3. Using Department: **Fleet**
4. Number of Responses Solicited: **Twelve (12)**
5. Number of Responses Received and Accepted: **Eight (8)**
6. Recommended Award(s) To: **Petroleum Traders Corporation of Ft. Wayne, IN
and Southern Counties Oil Co., of Orange, CA**
7. Total Award Amount (includes any tax and contingency): **Indefinite Quantity / Cost**
8. Contract Duration: **Five (5) Years Pending Approved Budget Appropriations
and Annual Renewals**

LOCAL PREFERENCE FACTOR

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

10/12/12
Date

CONFIRMATION OF FUND ENCUMBRANCE:

REQUISITION or PURCHASE ORDER NUMBER:	13101027 And 13101040
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TO: Karen Medina, Senior Buyer

FROM: Sergio Acosta, Acting Fleet Management Administrator *ck*

DATE: September 7, 2012

SUBJECT: Acceptance Memorandum for Bulk Fuel Price Agreement Bid No. 12-13-310

The Fleet Management Section has reviewed the bid submitted for the Bulk Fuel Price Agreement, Bid No. 12-13-310, and is recommending award to Petroleum Traders Corporation of Fort Wayne, Indiana for diesel fuel, and to Southern Counties Oil Co. (SC Fuels), a California limited partnership, of Orange, California for unleaded fuel in an indefinite quantity, indefinite cost.

The bid submitted was compliant with the published specifications of Bid No. 12-13-310, and the Fleet Management Section considers the bids to represent a fair and equitable agreement for the City of Las Cruces.

Requisition No. 13101040, for Petroleum Traders, and Requisition No. 13101027 for Sc Fuels have been generated utilizing the Cost of Motor Fuel & Oil Account No. 61323010-730930.

Should you have any questions regarding this matter, please feel free to contact me at 541-2596.

cc: Lisa Murphy, Transportation Director
Project File



OFFICE OF LAS CRUCES PURCHASING DEPARTMENT
 ABSTRACT OF BID: Bulk Fuel Price Agreement
 OPENING DATE: August 2, 2012 / 2:00 pm

ITEM	DESCRIPTION	QTY	UNIT	Margin Per Gallon	PRER	Margin Total Annual Estimated Gallons	Margin Per Gallon	PRER	Margin Total Annual Estimated Gallons
1	"Margin Quotation" Unleaded; Fuel will include profit, all applicable taxes, delivery costs, loading fees and all other applicable costs other than the cost of product	360000	gls	0.2417	0.2298	\$87,012.00	-0.0660	N/A	-\$23,760.00
2	"Margin Quotation" Diesel Fuel No. 2 ULSD; Fuel will include profit, all applicable taxes, delivery costs, loading fees and all other applicable costs other than the cost of product	481310	gls	0.0717	0.0881	\$34,509.93	-0.0880	N/A	-\$42,355.28
TOTAL:						\$121,521.93			-\$66,115.28
DELIVERY:									
PRICES EFFECTIVE THROUGH:									
PAYMENT TERMS:									
PREFERENCE NUMBER:									

Brewer Oil Co.
 2701 Candelaria NE
 Albuquerque, NM 87107
 PH: 505.864.2040
 FAX: 505.884.1987
 E-mail: ghoftmann@breweroil.com

C&R Distributing, LLC
 140 S. Prada Rd.
 El Paso, TX 79907
 PH: 915.860.4480
 FAX: 915.860.4487
 E-mail: klidkpatrick@crdistrib.com

Two Days
 July 10, 2012
 N/A

One Day
 August 2, 2012
 N/A

No Bids:

Benny Lopez
 Prepared by: Benny Lopez, Bid Clerk
Karen Medina
 Verified by: Karen Medina, Senior Buyer



CITY OF LAS CRUCES PURCHASING DEPARTMENT
 ABSTRACT OF BID: Bulk Fuel Price Agreement
 OPENING DATE: August 2, 2012 / 2:00 pm

ITEM	DESCRIPTION	QTY	UNIT	Margin Per Gallon	PREF	Margin Total Annual Estimated Gallons	Margin Per Gallon	PREF	Margin Total Annual Estimated Gallons
1	"Margin Quotation" Unleaded; Fuel will include profit, all applicable taxes, delivery costs, loading fees and all other applicable costs other than the cost of product	360000	gls	0.1467	N/A	\$52,812.00	0.1831	N/A	\$65,916.00
2	"Margin Quotation" Diesel Fuel No. 2 ULSD; Fuel will include profit, all applicable taxes, delivery costs, loading fees and all other applicable costs other than the cost of product	481310	gls	0.0182	N/A	\$8,759.84	0.0173	N/A	\$8,326.66
TOTAL:						\$61,571.84			\$74,242.66
DELIVERY:					None/Spec'd			One Day	
PAYMENT TERMS:					Start Date			One Year from date bids were open	
PREFERENCE NUMBER:					N/A			N/A	

JDL Logic, LLC
 24996 E. Geddes Circle
 Aurora, CO 80016
 PH: 888.794.0006
 FAX: 888.794.1116
 E-mail: dan@jdllogic.com

IPC, (USA) Inc.
 30 Pacific Ste. 650
 Irvine, CA 92618
 PH: 949.648.5620
 FAX: 949.648.5612
 E-mail: bianca.hurtado@usipc.com

NoBids:

Benny Lopez
 Prepared by: Benny Lopez, Bid Clerk
Karen Medina
 Verified by: Karen Medina, Senior Buyer



CITY OF LAS CRUCES PURCHASING DEPARTMENT
 ABSTRACT OF BID: Bulk Fuel Price Agreement
 OPENING DATE: August 2, 2012 / 2:00 pm

Petroleum Traders Corporation 7120 Peaire Inverness Way Fort Wayne, IN 46804 PH: 800.348.3705 x1002 FAX: 260.432.6564 E-mail: gnewton@petroleumtraders.com	Rio Valley Biofuels, LLC 1940 Anthony Dr. Anthony, NM 88021 PH: 575.882.5199 FAX: 575.882.2533 E-mail: batcher@riovalleybiofuels.com
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ITEM	DESCRIPTION	QTY	UNIT	Margin Per Gallon	PRER	Margin Total Annual Estimated Gallons	Margin Per Gallon	PRER	Margin Total Annual Estimated Gallons
1	"Margin Quotation" Unleaded; Fuel will include profit, all applicable taxes, delivery costs, loading fees and all other applicable costs other than the cost of product	360000	gls	0.2614	N/A	\$94,104.00	0.2200	N/A	\$79,200.00
2	"Margin Quotation" Diesel Fuel No. 2 ULSD; Fuel will include profit, all applicable taxes, delivery costs, loading fees and all other applicable costs other than the cost of product	481310	gls	-0.0017	N/A	-\$818.23	0.0200	N/A	\$9,626.20
TOTAL:						\$93,285.77			\$88,826.20
9	DELIVERY: PRICES EFFECTIVE THROUGH: PAYMENT TERMS: PREFERENCE NUMBER:				One Day Unit Award N/A		Two Days August 2, 2012 N/A		

NoBids:

Benny Lopez
 Prepared by: Benny Lopez, Bid Clerk
Karen Medina
 Verified by: Karen Medina, Senior Buyer



CITY OF LAS CRUCES PURCHASING DEPARTMENT
 ABSTRACT OF BID: Bulk Fuel Price Agreement
 OPENING DATE: August 2, 2012 / 2:00 pm

Southern Counties Oil Co.
 P. O. Box 4159
 Orange, CA 92863-4159
 PH: 805.389.3550
 FAX: 805.389.3554
 E-mail: koepk@schels.com

ITEM	DESCRIPTION	QTY	UNIT	Margin Per Gallon	PRBF	Margin Total Annual Estimated Gallons
1	"Margin Quotation" Unleaded; Fuel will include profit, all applicable taxes, delivery costs, loading fees and all other applicable costs other than the cost of product	360000	gls	0.1119	N/A	\$40,266.00
2	"Margin Quotation" Diesel Fuel No. 2 ULSD; Fuel will include profit, all applicable taxes, delivery costs, loading fees and all other applicable costs other than the cost of product	481310	gls	0.1733	N/A	\$83,386.96
TOTAL						\$123,652.96
DELIVERY:						
PRICES EFFECTIVE THROUGH:						
PAYMENT TERMS:						
PREFERENCE NUMBER:						
One Day Term of Contract N/A						

NoBids:

Benny Lopez
 Prepared by: Benny Lopez Bid Clerk
Karen Medina
 Verified by: Karen Medina, Senior Buyer