

APPROVED**AI-37902**

E-13-141-04-09

10. K.**CC CONSENT****Meeting Date:** 04/09/2013**Submitted For:** Martha L. Salazar**Submitted By:**Vangie Garcia, PURCHASING
DEPT.**Department:** PURCHASING DEPT.

Information

CAPTION

Acceptance to exercise the County's option to extend the 2nd of two (2)-one(1) year renewals with Arguindogui Oil Company-Contract #E-12-117-04-24 (Original Contract #C-11-009-04-26) for "Gasoline On-Off Highway Diesel Fuel-Hidalgo County" under the same rates, terms and conditions.

BACKGROUND

Effective May 1, 2013 and ending April 30, 2014.

Fiscal Impact

FISCAL YEAR: 2013

ACCT. #: obj. 626 co. wide

FUNDS AVAILABLE Y/N?: Y

MATCHING FUNDS Y/N?: N

BUDGETARY IMPACT:

Countywide contract used by various departments. Funding source is obj. 626 "Gasoline/Diesel". Please refer to attached expense report as of 3-28-13 for funding availability.

Attachments

Contract DocumentationExpense Report - Obj Code 626

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Darlene Betancourt	03/28/2013 08:04 AM
Budget & Management	Ivan Cantu	03/28/2013 08:20 AM
Merlen P. Munoz	Merlen P. Munoz	03/28/2013 02:03 PM
Auditor's Office	Angela Garcia	04/05/2013 04:20 PM
Form Started By: Vangie Garcia		Started On: 03/25/2013 07:46 AM
	Final Approval Date: 04/05/2013	



Hidalgo County Purchasing Department
2812 S. Business Highway 281
New Administration Building
Edinburg, Texas 78539
(956) 318-2626/ Fax: (956) 318-2629

March 25, 2013

Arguindegui Oil Company
Attn: Lindsay Clark
4506 Hwy. 359
Laredo, Texas 78043

Via Email: lindsay.clark@argpetro.com
Certified Mail: 7099-3220-0002-9745-1468

Re: Extension Of Service Contract No: **E-12-117-04-24**
(Original Contract #C-11-009-04-26)-"Gasoline On-Off-Highway Diesel Fuel"

Dear Mr. Clark:

Hidalgo County Purchasing Department will be requesting Commissioners' Court to consider the County's sole option to exercise its' option to extend **the second (2nd year of the two(2)- one (1) year term** as provided under the Contract for Hidalgo County. Extension will be at the same rates, terms and conditions.

This notice will be sent via certified mail as well as by email, please forward back this acknowledge receipt of notice of such request in order to proceed forward in placement on the Commissioners' Court meeting of **Tuesday, April 9, 2013** for discussion, consideration and action, by signing below and returning to the Purchasing Department, by no later than **10:00 a.m., Tuesday, March 26, 2013 or sooner**, via facsimile to (956) 956-318-2629 or email to: evangelina.garcia@co.hidalgo.tx.us so as to meet the agenda request form deadlines.

By:  Date: 3/26/13

Additionally, we are requesting your company provide an updated certificate of insurance as required through Hidalgo County's Request for (Bid, Quote, Proposal, Statement of Qualification), if applicable.

Should you have any questions or require additional information, please do not hesitate to contact me at (956) 318-2626. Your cooperation in this matter is greatly appreciated and we hope your company continues its business relationship with Hidalgo County.

Sincerely,
Vangie Y. Garcia, Contract's Manager
Hidalgo County Purchasing Department

THE STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

**SERVICE CONTRACT
C-11-009-04-26**

THIS CONTRACT is made and entered into this 26th day of April, 2011 by and between the County of Hidalgo, Texas ("County"), and **Arguindegui Oil Co. II Ltd., a Limited Company (Company)**.

WHEREAS, Company responded to request for bids for **"Gasoline-On-Off-Highway Diesel Fuel"** (the "Services"); and

WHEREAS, Company submitted a bid to provide services in accordance with the specifications as bid, a copy of such specifications and bid being attached hereto as Exhibits "A" and "B" ("Vendor's Bid") respectively, and incorporated herein for all purposes (the "RFB Packet"); and

WHEREAS, in recognition of and in consideration of Company's agreement to perform the Services in accordance with Specifications, the Commissioners Court of County awarded the bid to Company.

NOW, THEREFORE, in mutual consideration of the foregoing and the further consideration of the following, the parties hereto agree as follows:

1. County and Company hereby agrees that this Contract is entered into in order to provide the Service to locations within Hidalgo County. This Contract does not extend to any third parties any duties or benefits conferred in any manner hereunder or otherwise.
2. Company hereby promises and agrees to render and provide, during the term of this Contract, and shall be obligated to render and provide the Services in accordance

with the Specifications within **Hidalgo County** following a request for Services by the Hidalgo County or his designated agent(s). Company agrees in performing the Services that it will use proper professional standards, comply with any and all appropriate laws and regulations in providing the Services, and devote such time as is necessary to safely and efficiently provide the Services.

3. This Contract shall be for a period beginning **May 1, 2011** and ending **April 30, 2012** and may be extended at the sole discretion of County for an additional two (2)-one (1) year period at the same rates, terms and conditions, unless this Contract is terminated pursuant to the provisions herein, whichever occurs first. County also reserves the right to continue this bid for an additional sixty (60) day Grace Period, under the same rates terms and conditions.

4. As a condition of this Contract, Company shall hold and maintain throughout the term of this Contract all licenses and permits required, or which may be required by any authority during the term hereof to provide the Services.

5. All trucks or vehicles operated by the Company to perform the Services shall contain all equipment required by any authority to operate on streets and roads and all persons in the employ of Company who operate such trucks or vehicles shall have the required licenses, qualifications, skill and expertise to perform such Services and shall comply with all laws, rules and regulations prescribed by any agency or authority having jurisdiction with regard to the operation of such trucks or vehicles in providing the Services.

6. As consideration for rendering the Service provided for in this Contract, the County agrees to pay Company the amounts specified in Exhibit "B" attached hereto payable against written invoice submitted by Company.

7. Company shall provide insurance in force on all its vehicles and all persons connected with providing services under this Contract naming County as an additional insured (with the coverages and in the amounts described on Exhibit "C" attached hereto and incorporated herein at this point for all purposes), and shall furnish to County certificates of such insurance coverage.

8. Company shall provide a sufficient number of trucks, vehicles, personnel and equipment available to safely and efficiently provide the Services.

9. Company shall indemnify and hold harmless County, its elected officials, employees and agents from any and all claims, damages, losses, and expenses including attorney's fees for the defense of any action against County arising out of, resulting from, or connected with the provision of the Service by Company under this Contract. Said indemnity shall cover any act or failure to act by the Company, its agents or employees.

10. This Contract shall not be assignable in whole or in part by either party without prior written consent of the other party.

11. It is expressly agreed that this Contract and the performance by the parties hereunder does not create any agency relationship or master-servant relationship, that County has no supervision of the performance of the Services provided by Company, and that Company is an independent contractor under this Contract.

12. Any notice required or permitted to be given hereunder shall be in writing and shall be delivered personally or sent by certified mail, postage prepaid, as set forth below:

If to County: **The County of Hidalgo**
Attn: County Judge
1615 S. Closner, Suite J
Edinburg, Texas 78539

If to Company **Arguindegui Oil Co. II LTD.**
4506 Hwy. 359
Laredo, Texas 78043

13. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

14. Any contract award to a successful bidder will be in effect until (a) the contract expires, (b) delivery and acceptance of products, and/or performance of services ordered, or (c) terminated with or without cause by County with thirty day's written notice prior to cancellation.

15. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

16. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and shall be performable in Hidalgo County.

WITNESS our hands in duplicate originals this ____ day of _____, 2011.

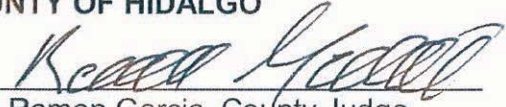
ATTEST:



Arturo Guajardo, Jr. County Clerk

COUNTY OF HIDALGO

By:


Ramon Garcia, County Judge

Approved by Commissioners' Court

on 4/26/11 RD

COMPANY: ARLINGTON OIL CO.

By: [Signature]

Printed Name: LINDSAY CLARK

Title: SALES MANAGER

Approved by Commissioners Court on: April 26, 2011

**APPROVED AS TO FORM:
ATLAS & HALL, LLP**

By: [Signature]
Stephen L. Crain

RFB PACKET

RESPONSIBLE BIDDER:

Any above and underground storage tank upon placement throughout the County will be required by awarded vendor to register such tanks as per the Texas Administrative Code, Title 30 Environmental Quality, Part I Texas Commission on Environmental Quality (TCEQ), Chapter 334. Copies of registration forms to be forwarded to the attention of: Roy Quintanilha, Hidalgo County Safety Director, via email: roy.quintanilha@co.hidalgo.tx.us and or faxed to (956) 318-2658.

Bidders having a history of inconsistent services and unreliability will not be considered by the County to be a responsible bidder.

The business must be a well established organization and have any adequate number of trained personnel to ensure quality and performance and completion of contract within a specified time period.

Successful bidder shall provide a Countywide, major brand fleet fuel monitoring system and dispensing system and electronic capture and report of transactions, card fuel access control security system.

Successful bidder must be able to have 24 hour facility and personnel, emergency disaster fuel availability.

Successful bidder must provide the replacement cards as necessary at no additional cost to the County.

Successful bidder will also establish base-pricing information on a weekly basis. Base pricing information shall consist of a PAD report pricing, plus differential equaling total price.

Awarded vendor will maintain an emergency disaster fuel program available for Hidalgo County fuel locations. Emergencies may include power outages, riots, civil disobedience, etc., and disasters will be acts of God such as hurricanes, floods tornadoes, etc., 24 hour facilities and personnel, and emergency disaster fuel availability in Hidalgo County.

Fuel card tracking must include:

Vehicle number
Date and Time of fueling
Identification of fueling station
Identification of mileage of vehicle fueled
Type and price per gallon of fuel
Total volume and dollar amount of fuel and vehicle miles per gallon
Electronic transaction file must match hard copy

TERM OF THE CONTRACT:

HIDALGO COUNTY is requesting bids for "GASOLINE, AND DIESEL FUEL (ALL GRADES)" for a one (1) year term with the County's option to extend the contract for an additional two (2) one (1) year terms.

Hidalgo County reserves the right to extend the contract for an additional sixty (60) day grace period at the end of the contract term due to unforeseen delay in the procurement of subsequent bid process.

Funds for this procurement have been provided through the County budget for this fiscal year only. County, on an annual basis, has the right to reconsider a contract during the budget process for ensuing years if financial resources of County are insufficient to meet the liabilities of said contract. The award of a bid or contract hereunder will not be construed to create a debt of the County which is payable out of funds beyond the current fiscal year.

If termination of contract is necessary, the successful bidder will not add any termination penalties to said contract.

COMPLIANCE WITH SPECIFICATIONS & HIDALGO COUNTY'S RIGHT OF SELECTION:

All bidder(s) shall abide by & comply with the true intent of the specifications and not take advantage of any unintentional error or omission.

Bidders will be required to comply with all applicable equal employment opportunity laws and regulations.

EVALUATION OF BIDS:

All bids shall be evaluated on all factors involved, i.e., price, quality, and service, etc., whichever is in the best interest of the County.

No cash advance discount will be considered.

DEVIATIONS FROM SPECIFICATIONS:

All deviations from the specifications must be noted in writing , in detail by bidder at the time of submittal of the bid. Deviations will be submitted to Commissioner's Court for discussion.

"OR EQUAL" INTERPRETATION CLAUSE:

Any time a particular manufacturer's name brand may be specified, it shall mean any product of equal quality. Bids shall be considered on all other brands submitted and on equal quality product of other manufacturers. On all such bid, the bidder shall indicate clearly the product on which bidding, and shall supply sufficient data on his/her own letterhead to enable an intelligent comparison to be made with the particular brand or manufacturer specified. If after analyzing the bid, it is found that the bidder did not bid on the brand and model specified and a statement to the contrary is not submitted, the item will not be considered.

No substitutions will be accepted after item(s) have been awarded as specified.

REPRESENTATIONS:

The vendor represents that the items/and or services provided by the vendor hereunder shall conform to the presentations of same as represented and described in the attachments. Notwithstanding anything to the contrary herein, if for any reason Hidalgo County determines in its sole discretion, that part of or all of the items and/or services fail to meet the expectations of

HIDALGO COUNTY, HIDALGO COUNTY may on a ten (10) day notice, terminate this agreement and be relieved of any further obligation to vendor.

ERRORS IN BIDS, RELIEF OF BIDS:

Bidders or their authorized representative are expected to fully inform themselves as to the conditions, requirements and specifications before submitting bids, failure to do so will be at the bidder's own risk and bidder cannot secure relief of the plea or error. Neither law nor regulation makes the allowance for errors or omission or commission on the part of bidders. In case of error in extension of prices in the bid, the unit price shall govern.

PRODUCT QUALITY:

Detailed explanation of warranties must be provided with bid.

For purpose of this specification, contamination is defined as any element which enters pure refined gasoline and diesel fuel either naturally or by purposeful action which is not a product of refined crude oil. With the exception of winter additives, detergents, and identifying dyes, any amount of alcohol is considered contamination and will not be allowed. Suspected contaminated fuel will be sent to a Laboratory for testing. Should laboratory test results show fuel contains any level of alcohol or other contaminants, the vendor shall be responsible for the removal of contaminated fuel from HIDALGO COUNTY property within three (3) working days after requested to do so. The vendor shall also be responsible for all cleanup required to all HIDALGO COUNTY property, storage facilities, vehicles and equipment as a result of non-compliance with specifications. Furthermore, the vendor shall be fully responsible for any and all cost incurred by HIDALGO COUNTY for any vehicles or equipment sustaining damage which is attributed to contaminated fuel(s) which the vendor has delivered.

BID AWARD:

HIDALGO COUNTY will award bid to the bidder with the lowest margin of profit. A "Primary" and "Secondary" vendor will be awarded for purchases from this contract through the effective period of this award. In situations when the "Primary" vendor does not comply with the specifications, requirements, terms, conditions, obligations, including delivery all contained within this bid packet, departments will purchase from the "Secondary" vendor. For evaluation & consideration of items bid, samples may be requested.

DELIVERY INSTRUCTIONS:

Delivery hours are from 8:00 A.M. through 12:00 P.M., and 1:00 P.M. through 4:00 P.M. Monday through Friday (Saturdays if Necessary).

Bidder shall deliver the requested amount of fuel within 24 hour of a properly executed purchase order. Partial orders will be considered as a basis of non-compliance.

BILLING AND PAYMENT INSTRUCTIONS:

Invoice must include:

- A) Marked- "HIDALGO COUNTY- GASOLINE AND DIESEL FUEL (ALL GRADES)"
- B) Copy of signed delivery ticket

County makes payments monthly upon request of a properly executed invoice & documentation from the co-signee.

Contact person for Billing & Payment questions: **Martha L. Salazar, Purchasing Agent, Hidalgo County Purchasing Department, Physical 2802 S. Business Highway 281, Postal/Mailing 2812 S. Business Highway 281, Edinburg, Texas 78539, TEL: (956) 318-2626**

ADDITIONAL REQUIREMENTS

Hidalgo County is additionally requesting loaner tanks by vendor be constructed of steel. Filtering system for loaner tanks will be the responsibility of the awarded vendor. Sampling of the fuel must be conducted by awarded vendor along with County authorized personal to witness sampling of bulk fuel for every delivery to all County locations requiring bulk fueling. If fuel is found to be contaminated, replacement of fuel will be required to be delivered within 24 hours of findings and retested for satisfactory fuel.

Awarded vendor shall have available delivery trucks for the specified fuel requested only which fuel will be delivered to Hidalgo County.

Compliance with all specifications is required. Detailed specifications are included.

Bidder shall also be available to provide **HIDALGO COUNTY** with **fuel tank(s), pumps and dikes as needed and/or required/requested by County Departments**. Tanks, pumps and/or installation of tanks, pumps and dikes will be **at no additional charge** to Hidalgo County.

Spill Containment/Dike area: Vendor is responsible for providing a spill containment/dike area for any new tank requested by Hidalgo County to be in compliance with OSHA under the OSHA Standards for general industry '1910.106(b)(2)(vi)(c).

BULK FUEL-shall be delivered within 24 hours of the County's request/order to County's existing tanks including but not limited to;

DESIGNATED DEPARTMENT/ ADDRESS	NO. OF TANKS EACH	No OF PUMPS
Hidalgo County Adult Detention Center (Motor Pool) 713 E. El Cibolo Road- Edinburg, Texas Phone No. 956/383-8114 X-6185	One (1) 20,000 Gallon Gasoline Tank One (1) 4,000 Gallon Diesel Tank	
Hidalgo County Precinct no. 1 Admn-1902 Joe Stephens- Weslaco, Texas Shop -Sunrise Hill Park located on Mile 11 N. & 1 ½ miles W from FM 1015, Weslaco Texas Phone No. 956/968-8733	One (1) 1000 Gallon Gasoline Tank One (1) 2000 Gallon Diesel Tank One (1) 2000 Gallon Dyed Diesel Tank	
Hidalgo County Precinct No. 2 301 East State Street Billing Address: 300 West Hall Acres Suite G, Pharr, Texas Phone No. 956/787/1891	One (1) 1000 Gallon Gasoline Tank One (1) 1000 Gallon Diesel Tank One (1) 3000 Gallon Diesel	1

Hidalgo County Precinct No. 3- Shop Shop-724 N. Breyfogle Rd.- Mission, Texas Motor Pool- 7 Mile Line & Iowa Rd Phone No. 956/585-4509	One (1) 1,000 Gallon Diesel Tank (Landfill) One (1) 200 Gallon Diesel(Anzaldua Park) One (1) 6000 Gallon Gasoline Tank One (1) 2000 Gallon White Diesel One (1) 2000 Gallon Red Diesel	
Hidalgo County Precinct No. 4- Adm./ Shop 1102 N. Doolittle Road- Edinburg, Texas Phone No.: 956/383-3112	Two (2) 4000 Gallon Diesel Tank Two (2) 1000 Gallon Diesel	1 gasoline 2 Diesel
Old Hidalgo County Sheriff's Department 3100 S. Highway 281 -Edinburg, Texas 78539 Phone No.: (956) 318-2649	One (1) 15,000 Gallon Diesel Tank One (1) 150 Gallon Diesel	

Note: Any and all tanks will be honored by awarded vendor.

GENERATORS- Bidder shall also deliver the fuel ordered within 24 hours of the County's order to County's existing generators at the sites listed below:

DESIGNATED DEPARTMENT/ADDRESS	NO. OF GENERATORS EACH
Hidalgo County Adult Detention Center 701 E. El Cibolo Road- Edinburg, Texas Phone No. 956/383-8114	Two (2) 2,400 Gallon Diesel Fuel Tanks
Hidalgo County Sheriff's Office 711 E. El Cibolo Road- Edinburg, Texas Phone No. 956/383-8114	One (1) 1,000 Gallon Diesel Fuel Tank One (1) 150 Gallon Diesel Fuel Tank
Hidalgo County Sheriff's Office (Academy) 715 E. El Cibolo Road- Edinburg, Texas Phone No. 956/383-8114	One (1) 600 Gallon Diesel Fuel Tank
Hidalgo County Court House 100 E. Closner- Edinburg Texas Phone No. 956/318-2646	One (1) 250 Gallon Diesel Fuel Tank One (1) 25 to 50 Gallon Natural Gas
Administration Building 2802 S. Bus. Hwy 281-Edinburg. Texas Phone No. 956/318-2646	Two (2) 265 Gallon Diesel Fuel Tank
Juvenile Detention Center 1001 North Doolittle- Edinburg Texas Phone No. 956/381-8600	One (1) 300 Gallon Diesel Fuel Tank
Weslaco Boot Camp 1711 N. Bridge – Weslaco, Texas Phone No. 956/969-4908	One (1) 50 Gallon Diesel Fuel Tank
Health and Human Service 1304 S. 25 th Street- Edinburg Texas Phone:956/383-6221	Two (2) 400 Gallon Diesel Fuel Tank

Note: Any and all new Generators will be honored.

In the event discounts are to be granted for rapid payment, bidder is encouraged to express any such discount in its bid.

Market Volatility and Unit Price Adjustments:

Hidalgo County recognizes that during periods of national crisis and unstable economic conditions, unforeseen price increases might affect costs for goods and services contracted on an annual basis. The following procedure may be employed to mediate price volatility:

Requesting Price Adjustment: Upon written request of the Vendor to the County Purchasing Agent, the County may review evidence of prevailing industry-wide market conditions that warrant an adjustment in bid prices contained in the contract.

- A Vendor must tie any price change clause to an industry-wide or otherwise nationally recognized index, or some other form of verifiable document. Such written request must be accompanied by a certified copy of the supplier's advisory or notification to the vendor of the price changes.
- The Vendor must put the Purchasing Agent on the mailing lists for such publications so that the Purchasing Agent can monitor said changes. Such membership shall be at no cost to the County.
- The County Purchasing Agent retains the right to determine whether or not such proposed price changes are in the best interest of the County.
- No price escalation will be authorized in excess of the amount of the increase referred to in the supplier's notice.
- The County may only grant a price increase if the evidence presented is deemed reliable. Should the County allow a price increase, the approved price change shall be honored for all orders received by the vendor or contractor after the effective date of such price change. Approved price changes are not applicable to orders already issued and in process at time of price change.

Price Reduction: Vendor shall notify the County at the time when the Vendor's costs for items and/or supplies reduce due to stabilization in the market at which time prices for items on this contract shall be reduced accordingly. Failure by the Vendor to notify the County of a decrease in costs for items and/or supplies for which the Vendor was granted a price adjustment, may result in immediate termination of this contract and the County shall not be obligated to pay the Vendor the difference between the contract price and the price adjustment.

Timeframe for Adjusted Price Increases: Price increases are only valid for the quarter in which they are requested and approved. Prices shall return to the original contract price at the beginning of the following quarter unless a Vendor notifies the County in writing within ten (10) days of expiration of the quarter in which the price increase is in effect, that it desires to have the price increase continue or that the Vendor is requesting a different price increase for the following quarter. Such request must be supplemented with sufficient justification to demonstrate that the price increase remains necessary. The County Purchasing Department shall have sole discretion whether to grant the price increase extension. The County too, shall have discretion to unilaterally reduce, eliminate or extend a price adjustment to the Vendor at any time upon written notice from the County to the Vendor demonstrating justification for such reduction, elimination or extension of the price adjustment.

Allowable Review Periods: Price adjustment reviews may only be requested by the Vendor on a quarterly basis. However, the County may at its own discretion, conduct temporary price adjustment reviews at any time. The County Purchasing Agent and/or the County Auditor reserve the right to audit and/or examine any pertinent books, documents, papers, records or invoices relating directly to the contract transaction in question after reasonable notice and during normal business hours.

Dollar Limit to Price Changes: The total increase in contract price shall not exceed twenty-five percent (25%) of the original contract price during the contract term.

ADDITIONAL INFORMATION:

Hidalgo County is requesting that any all and questions, inquiries, and clarifications regarding this bid be addressed to, Martha L. Salazar, Purchasing Agent, Hidalgo County Purchasing Department, Physical:2802 S. Bus. Hwy. 281 Postal/Mailing: 2812 S. Bus. Hwy. 281, Administration Building, Edinburg, Texas 78539. **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.ALL WRITTEN INQUIRIES WILL BE ACCEPTED VIA FACSIMILE BY NO LATER THAN, Wednesday, March 09, 2011, 5:00 P.M.** Responses to said inquiries will be sent to all applicants via facsimile by no later than, 5:00P.M.,Friday, March 11, 2011.

**BULK GASOLINE ON-OFF HIGHWAY DIESEL FUEL PRODUCTS
 BID COMPARISON BY PARTICIPATING VENDORS:**

RFB № 2011-009-03-16-YZV

OPTION I-DELIVERY OF FUEL TO H.C. SITES (BULK FUEL):

ITEM:		VENDOR: ARGUINDEGUE OIL✓
UNLEADED REGULAR GASOLINE		UNIT PRICE
OPIS PRICE		\$2.4729
STATE TAX		.2000
MARGIN OF PROFIT:	Transport Delivery	.0661
	Bobtail Delivery	.1112
TOTAL PRICE PER GALLON	Transport Delivery	\$2.7390
	Bobtail Delivery	\$2.7841
UNLEADED MID-GRADE GASOLINE		UNIT PRICE
OPIS PRICE		\$2.5397
STATE TAX		.2000
MARGIN OF PROFIT:	Transport Delivery	.0661
	Bobtail Delivery	.1112
TOTAL PRICE PER GALLON	Transport Delivery	\$2.8058
	Bobtail Delivery	\$2.8509
UNLEADED PREMIUM GASOLINE		UNIT PRICE
OPIS PRICE		\$2.6775
STATE TAX		.2000
MARGIN OF PROFIT:	Transport Delivery	.0661
	Bobtail Delivery	.1112
TOTAL PRICE PER GALLON	Transport Delivery	\$2.9436
	Bobtail Delivery	\$2.9887

		VENDOR: ARGUINDEGUE OIL ✓
LOW SULFUR DIESEL		UNIT PRICE
OPIS PRICE		NO LONGER AVAILABLE
STATE TAX		
MARGIN OF PROFIT:	Transport Delivery	
	Bobtail Delivery	
TOTAL PRICE PER GALLON	Transport Delivery	
	Bobtail Delivery	
#2 ULTRA LOW SULFUR DIESEL		UNIT PRICE
OPIS PRICE		\$2.5664
STATE TAX		.2000
MARGIN OF PROFIT:	Transport Delivery	.0661
	Bobtail Delivery	.1112
TOTAL PRICE PER GALLON	Transport Delivery	\$2.8325
	Bobtail Delivery	\$2.8776
#2 ULTRA LOW SULFUR DIESEL W/ENHANCED ADDITIVE		UNIT PRICE
OPIS PRICE		\$2.5914
STATE TAX		.2000
MARGIN OF PROFIT:	Transport Delivery	.0661
	Bobtail Delivery	.1112
TOTAL PRICE PER GALLON	Transport Delivery	\$2.8575
	Bobtail Delivery	\$2.9026
#2 ULTRA SULFUR DYED DIESEL FUEL		UNIT PRICE
OPIS PRICE		\$2.5637
STATE TAX		-0-
MARGIN OF PROFIT:	Transport Delivery	.0661
	Bobtail Delivery	.1112
TOTAL PRICE PER GALLON	Transport Delivery	\$2.6298
	Bobtail Delivery	\$2.6778

EXHIBIT "B"
HIDALGO COUNTY
"BULK GASOLINE ON-OFF HIGHWAY DIESEL FUEL PRODUCTS"
BID NO. 2011-009-03-16-YZV
BID PAGE

OPENED
9:43
3-16-2011
Witnessed

OPTION I- DELIVERY OF FUEL TO HIDALGO COUNTY SITES (BULK).

NOTE: THESE ARE THE MOST COMMON FUELS USED BY HIDALGO COUNTY

GASOLINE:

		UNIT PRICE
UNLEADED REGULAR GASOLINE	OPIS PRICE	2.4729
	STATE TAX	.3859
Margin of profit includes remediation fees	MARGIN OF PROFIT	
	Transport Delivery	.0661
	Bobtail Delivery	.1112
TOTAL PRICE PER GALLON FOR TRANSPORT DELIVERY		\$ 2.9249
TOTAL PRICE PER GALLON PER BOBTAIL DELIVERY		\$ 2.9700

		UNIT PRICE
UNLEADED MID GRADE GASOLINE	OPIS PRICE	2.5397
	STATE TAX	.3859
Margin of profit includes remediation fees	MARGIN OF PROFIT	
	Transport Delivery	.0661
	Bobtail Delivery	.1112
TOTAL PRICE PER GALLON FOR TRANSPORT DELIVERY		\$ 2.9917
TOTAL PRICE PER GALLON FOR BOBTAIL DELIVERY		\$ 3.0368

		UNIT PRICE
UNLEADED PREMIUM GASOLINE	OPIS PRICE	2.6775
	STATE TAX	.3859
Margin of profit includes remediation fees	MARGIN OF PROFIT	
	Transport Delivery	.0661
	Bobtail Delivery	.1112
TOTAL PRICE PER GALLON FOR TRANSPORT DELIVERY		\$ 3.1295
TOTAL PRICE PER GALLON FOR BOBTAIL DELIVERY		\$ 3.1746

DIESEL:

9-143
3-16-2011
Witnessed

		UNIT PRICE
LOW SULFUR DIESEL	OPIS PRICE	
	STATE TAX	
Margin of profit includes remediation fees	MARGIN OF PROFIT	N/A
	Transport Delivery	
	Bobtail Delivery	
TOTAL PRICE PER GALLON FOR TRANSPORT DELIVERY		\$
TOTAL PRICE PER GALLON PER BOBTAIL DELIVERY		\$

		UNIT PRICE
#2 ULTRA LOW SULFUR DIESEL (Clear)	OPIS PRICE	2.5664
	STATE TAX	.4459
Margin of profit includes remediation fees	MARGIN OF PROFIT	.0661
	Transport Delivery	.1118
	Bobtail Delivery	
TOTAL PRICE PER GALLON FOR TRANSPORT DELIVERY		\$ 3.0784
TOTAL PRICE PER GALLON PER BOBTAIL DELIVERY		\$ 3.1235

		UNIT PRICE
#2 ULTRA LOW SULFUR DIESEL WITH ENHANCED ADDITIVE	OPIS PRICE	2.5914
	STATE TAX	.4459
Margin of profit includes remediation fees	MARGIN OF PROFIT	.0661
	Transport Delivery	.1118
	Bobtail Delivery	
TOTAL PRICE PER GALLON FOR TRANSPORT DELIVERY		\$ 3.1034
TOTAL PRICE PER GALLON PER BOBTAIL DELIVERY		\$ 3.1485

		UNIT PRICE
# 2 ULTRA SULFUR DYED DIESEL FUEL	OPIS PRICE	2.5637
	STATE TAX	.0029
Margin of profit includes remediation fees	MARGIN OF PROFIT	.0661
	Transport Delivery	.1118
	Bobtail Delivery	
TOTAL PRICE PER GALLON FOR TRANSPORT DELIVERY		\$ 2.6377
TOTAL PRICE PER GALLON PER BOBTAIL DELIVERY		\$ 2.6778

MARGIN OF PROFIT: (PRICE IN DOLLARS AND CENTS)

EXHIBIT "B"
 HIDALGO COUNTY
 "BULK GASOLINE ON-OFF HIGHWAY DIESEL FUEL PRODUCTS"
 BID NO. 2011-009-03-16-YZV
BID PAGE

OPENED
 9:43
 3-16-2011
 [Signature]

OPTION II- VENDOR FUELING STATIONS.

***** Due to our association with GASCARD, (Voyager Network) we can not bid opis based prices. Our proposal is to offer daily retail posted pump price at any Voyager site. This includes all major branded and unbranded retail sites.*****

GASOLINE:

		UNIT PRICE
Unleaded Regular Gasoline	OPIS PRICE	
	STATE TAX	
Margin of profit includes remediation fees	MARGIN OF PROFIT	
TOTAL PRICE PER GALLON		N/A

		UNIT PRICE
Unleaded Mid Grade Gasoline	OPIS PRICE	
	STATE TAX	
Margin of profit includes remediation fees	MARGIN OF PROFIT	
TOTAL PRICE PER GALLON		N/A

		UNIT PRICE
Unleaded Premium Gasoline	OPIS PRICE	
	STATE TAX	
Margin of profit includes remediation fees	MARGIN OF PROFIT	
TOTAL PRICE PER GALLON		N/A

DIESEL:

		UNIT PRICE
#2 Ultra Low Sulfur Diesel Fuel	OPIS PRICE	
	STATE TAX	
Margin of profit includes remediation fees	MARGIN OF PROFIT	
TOTAL PRICE PER GALLON		N/A

		UNIT PRICE
#2 Ultra Sulfur Dyed Diesel Fuel	OPIS PRICE	
	STATE TAX	
Margin of profit includes remediation fees	MARGIN OF PROFIT	
TOTAL PRICE PER GALLON		N/A

1. Please specify if you will provide Hidalgo County with 24 hour service (yes or no) _____
2. Please provide locations for fueling on a separate page (Store names, city and addresses) in Hidalgo County.

NOTE: These are the most common fuels used by Hidalgo County.

BIDDER/COMPANY NAME: Arguindegui Oil Co. II Ltd.
 ADDRESS: 4506 Hwy 359
 CITY: Laredo STATE: TX ZIP CODE: 78043
 PHONE No: 956 727 5251 FAX No: 956 727 7636
 AUTHORIZED SIGNATURE: [Signature]
 PRINTED NAME: Lindsay Clark
 TITLE: Sales Rep.
 EMAIL ADDRESS: lindsay.clark@argpetro.com

OPENED
 9:43
 3-16-2011
 Witnessed

[Signature]

EXHIBIT "C" INSURANCE REQUIREMENTS

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
06/26/12

PRODUCER
FEDERATED MUTUAL INSURANCE COMPANY
 Home Office: P.O. Box 328
 Owatonna, MN 55060
 Phone: 1-888-333-4949

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY **A** FEDERATED MUTUAL INSURANCE COMPANY OR
 FEDERATED SERVICE INSURANCE COMPANY

COMPANY **B**

COMPANY **C**

COMPANY **D**

INSURED
 ARGUINDEGUI OIL COMPANY II LTD
 ARGUINDEGUI MANAGEMENT CO LLC
 PO BOX 1367
 LAREDO TX 78042

229-299-3

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR OWNER'S & CONTRACTOR'S PROT	9029560	06/27/12	06/27/13	GENERAL AGGREGATE \$ 2,000,000
					PRODUCTS - COMP/OP AGG \$ 2,000,000
					PERSONAL & ADV INJURY \$ 1,000,000
					EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 100,000
					MED EXP (Any one person) \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	9029560	06/27/12	06/27/13	COMBINED SINGLE LIMIT \$ 1,000,000
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$
					OTHER THAN AUTO ONLY:
					EACH ACCIDENT \$
A	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	9029561	06/27/12	06/27/13	EACH OCCURRENCE \$10,000,000
					AGGREGATE \$10,000,000
					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				WC STATUTORY LIMITS OTH-ER
					EL EACH ACCIDENT \$
	OTHER				EL DISEASE - POLICY LIMIT \$
					EL DISEASE - EA EMPLOYEE \$

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER

2292993
 ATTN PURCHASING DEPT
 HIDALGO COUNTY
 2812 S BUSINESS HWY 281
 EDINBURG TX 78539

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CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Jeffrey E. Satter
 PRESIDENT

