



## Legislation Text

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**File #:** 83505, **Version:** 1

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### Fiscal Note

The proposed resolution authorizes the noncompetitive purchase of renewable diesel from REG Marketing & Logistics Group, LLC to begin a pilot program for renewable diesel for an amount not to exceed \$100,000 in 2024. Pending the outcome of the initial phase of the pilot, Fleet Service will initiate the second phase of the pilot and purchased renewable diesel in an amount not to exceed \$1.5 million. Funding for the 2024 pilot (\$100,000) is available in the 2024 Adopted Fleet Service Operating Budget (Munis #41100-53421). If the pilot is expanded, funding for the \$1.5 million in renewable diesel will be available in future operating budgets in Munis #41100-53421. No additional appropriation is required.

### Title

Authorizing the noncompetitive purchase of renewable diesel from REG Marketing & Logistics Group, LLC in two phases.

### Body

WHEREAS, the City of Madison has set the ambitious goal of reaching 100% renewable energy and net zero carbon emissions for city operations by 2030; and,

WHEREAS, the Fleet Division has been piloting the use of 100% biodiesel in our fleet operations since 2022 as part of the Climate Forward Agenda; and,

WHEREAS, renewable diesel is a clean energy fuel that has environmental benefits comparable to those of biodiesel but does not require costly infrastructure improvements to facilitate its use in colder temperatures; and,

WHEREAS, the Fleet Division aims to pilot the use of renewable diesel in our fleet operations in the summer of 2024 at one fuel site owned by the City, at an estimated cost of \$100,000; and,

WHEREAS, if the pilot is successful as determined jointly by Fleet, Streets, and other divisions of the Public Works Department, we plan to expand the pilot to the four large fuel sites owned by the City throughout the winter months to test the application of renewable diesel in a wider array of vehicles and equipment in colder temperatures, at an estimated cost of \$1,500,000; and,

WHEREAS, if the second phase of the pilot is successful and the Fleet Division determines that using renewable diesel will meet the mechanical and operational needs of the fleet and the City's sustainability goals, Fleet intends to advertise a competitive selection process in 2025 to purchase renewable diesel for all of our diesel fuel needs; and,

WHEREAS, the renewable diesel market is changing rapidly as more biorefineries become operational throughout the United States and we anticipate there will be additional suppliers in the market in the coming years; and,

WHEREAS, the Fleet Division has reviewed currently available products and suppliers and identified REG Marketing & Logistics Group, LLC as the best available vendor for the reasons explained in the attached noncompetitive selection request form; and,

WHEREAS, MGO 4.26(2) requires goods to be purchased using a competitive process approved by the Finance Director, and under the Finance Director's Purchasing Guidelines, Common Council approval is

required to purchase goods of \$50,000 or more without a competitive process;

NOW, THEREFORE, BE IT RESOLVED, the Common Council hereby authorizes the purchase of renewable diesel from REG Marketing & Logistics Group, LLC to begin a pilot program in 2024, with a budget not to exceed \$100,000;

BE IT FURTHER RESOLVED, pending the outcome of the initial phase of the pilot, the Common Council hereby authorizes the purchase of renewable diesel from REG Marketing & Logistics Group, LLC to initiate phase two of the renewable diesel pilot program, with a budget not to exceed \$1,500,000.