

## AGENDA



Thursday, July 26, 2007

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION**
**Item No. 51**

**Subject:** Authorize award and execution of a 24-month requirements supply agreement with ALLIED SALES COMPANY, Austin, TX, for the purchase of industrial lubricants for the Austin Water Utility in an amount not to exceed \$169,132.22, with two 12-month extension options in an amount not to exceed \$84,566.11 per extension option, for a total contract amount not to exceed \$338,264.44.

**Amount and Source of Funding:** Funding in the amount of \$28,188.70 is available in the Fiscal Year 2006-2007 Operating Budget of the Austin Water Utility. Funding for the remaining 20-months of the initial contract and extension options is contingent upon available funding in future budgets.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**For More Information:** Stephen Aden, Supervising Sr. Buyer, 974-2021.

**Purchasing Language:** Lowest bid of three bids received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore no goals were established for this solicitation.

**Boards and Commission Action:** Recommended by the Water and Wastewater Commission.

This contract establishes a 24-month supply agreement to provide industrial lubricants for equipment at the Austin Water Utility's treatment plants. Upon request by the maintenance supervisor at each plant, the contractor shall deliver the products to the various plants. In addition, and at no additional cost, the contractor shall conduct an annual lubrication audit and an annual equipment lubrication analysis to examine suitability and compatibility of lubricants in use at the requesting facility and to recommend any product changes that may be appropriate.

For the past fifteen years or more, Mobile Oil lubricants have been used on this equipment and the manufactures recommend that if a product, other than that which has been used in the past, the equipment should be completely flushed of the old product before adding a different lubricant. In order to allow competition with other products, the bid sheet was divided into two sections. Section 1 (items 1 thru 54) were for the current product used (Mobile) and Section 2 (items 55 thru 66) were products needed to flush the system. It was specified in the bid document that if the total cost for a new product including the products needed for flushing was lower than the Mobile Lubricant in items 1 thru 54, award would be made to the new product. As seen in the bid tabulation below, the Mobile products offered by Allied Sales Company was lower overall.

MBE/WBE solicited: 4/3

MBE/WBE bid: 0/0

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Twenty-nine notices were sent including four MBEs and three WBE's. Three bids were received, none of which were MBE or WBE firms.

c. Allied Sales Company is the current contract provider and the pricing submitted represents a 5% increase from the last contract awarded August 2005.

#### APPROVAL JUSTIFICATION

- a. Low Bidder.
- b. The Purchasing Office concurs with the Austin Water Utility's recommendation.
- c. Advertised in the Austin American-Statesman and Internet.