

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	55858	Agenda Number	24.
Meeting Date:		March 31, 2016			
Department:		Purchasing			
Subject					
Authorize award and execution of a 36-month contract with TEXAS ENTERPRISES DBA ALLIED SALES CO., to provide industrial lubricants in an amount not to exceed \$1,145,350, with three 12-month extension options in an amount not to exceed \$381,783 per extension option, for a total contract amount not to exceed \$2,290,700.					
Amount and Source of Funding					
Funding in the amount of \$190,892 is available in the Fiscal Year 2015 – 2016 Operating Budget of Austin Water. Funding for the remaining 30 months of the original contract period and extension options are contingent upon available funding in future budgets.					
Fiscal Note					
There is no unanticipated fiscal impact. A fiscal note is not required.					
Purchasing Language:	Lowest bid received considering local preference.				
Prior Council Action:					
For More Information:	Irene Sanchez-Rocha, Senior Buyer, 512-974-2554				
Boards and Commission Action:	March 9, 2016 - Unanimously recommended by the Water and Wastewater Commission on an 11-0 vote.				
Related Items:					
MBE / WBE:	This solicitation was reviewed in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods and services required for this solicitation, there were insufficient subcontracting opportunities; therefore, no subcontracting goals were established.				

Additional Backup Information

The contract will provide industrial lubricants for equipment at various Water and Wastewater Treatment Plants. The industrial equipment at the plants has been in place for over 35 years, and requires lubrication for daily operations and to prevent malfunctions.

This recommendation is in accordance with Local Government Code 271.905 and Resolution number 20140807-113 to invoke local preference. This local bidder is offering the best combination of contract price and additional economic development opportunities for the City created by the contract award, including the employment of residents of the City and increased tax revenues to the City.

Austin Water plant operations are vital as any down time may be detrimental to Austin residents' drinking water.

MBE/WBE solicited: 3/4

MBE/WBE bid: 0/0

**BID TABULATION**

IFB ISR0009REBID

Industrial Lubricants

(85 line items)

**Vendor**

Factory Outlet Tooling  
Richardson, TX

**Total Bid**

\$328,378.71

**Texas Enterprises DBA Allies Sales  
Austin, TX**

**\$336,772.88 \***

Johnson Oil Company  
Gonzales, TX

\$347,372.46

\*Local Business Preference

The local preference award is 2.56% higher than the low bidder.

A complete solicitation package, including bid tabulation, is on file with the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

**PRICE ANALYSIS**

- a. Adequate competition.
- b. 154 notices were sent, including three MBE and four WBE firms. Three bids were received, with no response from the MBE/WBEs. Multiple notices may be sent to the same vendor, e.g. one vendor may have multiple email addresses/fax numbers.
- c. The pricing offered represents an 8.8% increase from the last purchase made November, 2011.

**APPROVAL JUSTIFICATION**

- a. Local Business Preference invoked.
- b. The Purchasing Office concurs with Austin Water's recommended award.
- c. Advertised in the Austin American Statesman and on the internet.