



**Purchasing Supply Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 19  
AGENDA DATE: Thu 04/22/2004  
PAGE: 1 of 2**

**SUBJECT:** Authorize execution of a 12-month supply agreement with ARNOLD OIL CO., INC., Austin, TX for the purchase of lubricating oils, fluids, and greases in an amount not to exceed \$373,240.30, with two 12-month extension options in an amount not to exceed \$373,240 per extension option, for a total agreement amount not to exceed \$1,119,720.90.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$155,517 is available in the Fiscal Year 2003-2004 Approved Operating Budget of the Fleet Maintenance Fund of the Financial and Administrative Services Department. Funding for the remaining seven months of the original contract period 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.

<b>REQUESTING</b> Purchasing	<b>DIRECTOR'S</b>
<b>DEPARTMENT:</b> for Financial and	<b>AUTHORIZATION:</b> <u>Vickie Schubert</u>
Administrative Services -	
Fleet Services;	

**FOR MORE INFORMATION CONTACT:** Stephen T. Aden, Supervising Senior Buyer, 974-2021.

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** N/A

**PURCHASING:** Lowest bid of seven bids received.

**MBE / WBE:** This contract will be awarded in compliance with Chapter 2-9 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.

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This supply agreement is for five different types of automotive lubricating products. They include motor oils, transmission fluids, gear oils, hydraulic oils, and greases for the City's fleet of vehicles and equipment. These products are used in the daily operations of repair and maintenance services of vehicles and equipment by the mechanics in the Fleet Services automotive Fleet Service Centers. The lubricants improve the performance of both diesel and gasoline engines. The lubricants also minimize engine deposits and wear, and protect against high-temperature oxidation, rust, and corrosion. Bulk oil is stocked by Fleet Services. Each service center stocks some of the smaller items such as cases or 16 gallon containers.

MBE/WBE solicited: 3/1

MBE/WBE bid: 0/0



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**BID TABULATION  
IFB No. SA04100026  
Lubricating Oils, Fluids, and Greases  
(53 Line Items)**

<b><u>Vendor</u></b>	<b><u>Total Bid Price of 5 Categories Consisting of Various Lubricants</u></b>
<b>Arnold Oil Co. of Austin, Inc. Austin, TX</b>	<b>\$373,240.30</b>
<b>Allied Sales Co. Austin, TX</b>	<b>\$447,317.12</b>
<b>Avery Oil Co. San Antonio, TX</b>	<b>\$507,449.35</b>
<b>Johnson Oil Co. Pflugerville, TX</b>	<b>\$338,557.52*</b>
<b>Warren A. Bower Rensselaer, NY</b>	<b>\$139,762.25**</b>
<b>Sun Cost Resources, Inc. Houston, TX</b>	<b>\$302,463.96**</b>
<b>Midtex Oil, L.P. New Braunfels, TX</b>	<b>\$5,302,606.59**</b>

\* Did not bid on all line items.

\*\*Did not bid on all line items and failed to respond to Addendum No. 1 which revised the bid sheet.

**PRICE ANALYSIS**

- Adequate competition
- Fifty-six notices were sent including three MBEs and one WBE. Nine bids were issued, none of which were MBE or WBE firms. Seven bids were received with no responses from MBE or WBE firms. There was one "No Bid" response and one late bid.
- In comparison with the previous contract awarded in March 2001, the unit prices of this contract reflect an average 8% increase in cost to the City. This is attributed to the increase in fuel and transportation cost.

**APPROVAL JUSTIFICATION**

- Low bidder.
- Fleet Services of the Financial and Administrative Services Department concurs with the recommended award herein.
- Advertised in the Austin American-Statesman and Internet.