Recommendation for Action

File #: 20-3612, **Agenda Item #:** 46.   12/10/2020

Posting Language

Authorize negotiation and execution of two multi-term cooperative contracts with Arnold Oil Company of Austin LP and Lubricant Products & Supplies LLC, (MWBE), to provide oils, greases, lubricants and parts, for City vehicles and equipment, for up to three years for total contract amounts not to exceed $1,500,000, divided between the contactors.

(Note: This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods required for this procurement, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Austin Fire Department; Fleet Mobility Services.

Fiscal Note

Funding in the amount of $207,083 is available in the Fiscal Year 2020-2021 Operating Budget of Fleet Mobility Services. Funding in the amount of $1,250 is available in the Fiscal Year 2020-2021 Operating Budget of the Austin Fire Department. Funding for the remaining contract terms is contingent upon available funding in future budgets.

Purchasing Language:

Multiple cooperative purchase programs were reviewed for these goods. The Purchasing Office has determined these contractors best meets the needs of the departments to provide the goods required at the best value for the City.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <mailto:AgendaOffice@austintexas.gov> or to Bartley Tyler, at 512-974-2023 or Bartley.Tyler@austintexas.gov <mailto:Bartley.Tyler@austintexas.gov>.

Additional Backup Information:

These contracts are for the purchase of lubricating products and parts used by the City's service technicians for City vehicles and equipment. The lubricating products include motor oils, transmission fluids, gear oils, hydraulic oils, and grease. Using high quality products helps to keep City vehicles and equipment in good operating condition, lowers maintenance costs, and extends the lifecycle of the vehicles and equipment. Products used on these contracts will be recycled using a different City contract.

These contracts will replace contracts which expired November 30, 2020. The requested authorization amounts were determined using departmental estimates based on historical spend and anticipated small price increases for buying greener products. A small growth in the annual authorization amount was factored in, to account for lubricants and parts to support future vehicle and equipment acquisitions. The recommended contractors are the current providers for these goods.

The Local Government Purchasing Cooperative, administered by Texas Association of School Boards, Inc. (BuyBoard) cooperative establishes competitively bid contracts that can be utilized by the State and other government agencies through a cooperative agreement. Cooperative agreements save taxpayer dollars by leveraging the State's volume-buying power to drive down costs on hundreds of contracts through a streamlined cooperative purchasing program.

If the City is unable to secure a contract, the service technicians will not have a reliable source for lubricating products and parts to use for repairs and preventive maintenance on vehicles and equipment in the City's fleet. Departments will be forced to procure these products on an as needed basis, which may result in higher prices, higher operational costs, and increased vehicle and equipment downtime.

Contract Detail:

Contract Term	Length of Term	Contract Authorization
Initial Term	1 yr.	$ 500,000
Optional Extension 1	1 yr.	$ 500,000
Optional Extension 2	1 yr.	$ 500,000
TOTAL	3 yrs.	$1,500,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.

Strategic Outcome(s):

Mobility.