

**AGENDA**



**Recommendation for Council Action**

**AUSTIN CITY COUNCIL**  
**Regular Meeting: April 26, 2018**

Item Number: **025**

**Purchasing Office**

Authorize negotiation and execution of three multi-term contracts through the Texas Local Government Purchasing Cooperative, administered by the Texas Association of School Boards, Inc. (BuyBoard) with Arnold Oil Company of Austin, L.P., Lubricant Product and Supplies, LLC, and Safety-Kleen Systems, Inc., to provide oils, greases, lubricants and parts, for up to 32 months for total contract amounts not to exceed \$984,500 divided among the contractors. (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).

<b>Lead Department</b>	Purchasing Office.
<b>Fiscal Note</b>	Funding in the amount of \$13,333 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Fire Department. Funding in the amount of \$246,125 is available in the Fiscal Year 2017-2018 Operating Budget of Fleet Services. Funding for the remaining contract terms are contingent upon available funding in future budgets.
<b>Purchasing Language</b>	Multiple vendors within this cooperative purchasing program were reviewed for these goods. The Purchasing Office has determined these contractors best meet the needs of the departments to provide the goods required at the best value for the City.
<b>For More Information</b>	Inquiries should be directed to the City Manager’s Agenda Office, at 512-974-2991 or <a href="mailto:AgendaOffice@austintexas.gov">AgendaOffice@austintexas.gov</a> <mailto:AgendaOffice@austintexas.gov> or to the buyer, Erika Larsen, at 512-974-3127 or <a href="mailto:Erika.Larsen@Austintexas.gov">Erika.Larsen@Austintexas.gov</a> <mailto:Erika.Larsen@Austintexas.gov>.

<b>Client Department(s)</b>	Austin Fire Department; Fleet Services.
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**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.

The 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. One of the vendors selected, Arnold Oil Company of Austin, is an Austin based company with over 300 employees. Another selected vendor, Lubricant Product and Supplies, LLC, is an Austin based, self-certified minority owned business. (Note: This firm’s self-certified distinction is provided for informational purposes only. City Code Chapter 2-9D, Minority Owned and Women Owned Business Enterprise Procurement Program, only recognizes firms certified by the City’s Small Minority Business Resources Department).

These contracts will replace a contract which expired January 31, 2018. 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.

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:**

<b>Contract Term</b>	<b>Length of Term</b>	<b>Contract Authorization</b>
Initial Term	8 months	\$246,125
Optional Extension 1	12 months	\$369,188
Optional Extension 2	12 months	\$ 69,187
<b>TOTAL</b>	<b>32 months</b>	<b>\$984,500</b>

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