

# Mayor and Council Communication

DATE: 03/03/20

M&C FILE NUMBER: M&C 20-0111

LOG NAME: 13P20-0025 OILS AND LUBRICANTS LSJ PMD

**SUBJECT**

Authorize Purchase Agreement with J.A.M. Distributing, for Oils and Lubricants in the Amount Up to \$261,000.00 per Year and Authorize Four Annual Renewal Options for the Property Management Department (ALL COUNCIL DISTRICTS)

**RECOMMENDATION:**

It is recommended that the City Council authorize a Purchase Agreement with J.A.M. Distributing, for oils and lubricants in the amount up to \$261,000.00 per year and authorize four annual renewal options for the Property Management Department.

**DISCUSSION:**

The Property Management Department (PMD) approached the Purchasing Division for assistance with buying oils and lubricants used to service and maintain City owned vehicles and equipment. The Invitation to Bid (ITB) consisted of detailed specifications describing the characteristics and quality of the required products. The ITB also required bidders to provide discounts for oils, lubricants, containers, drums and lubricant bulk items that will be purchased on an as needed basis. This bid was advertised in the Fort Worth Star-Telegram on November 27, 2019, December 4, 2019, December 11, 2019 and December 18, 2019. Ten vendors were solicited from the purchasing database system; four responses were received and one was deemed non-responsive because the products offered did not meet the requirement for group 3 synthetic oils and lubricants.

Ataram LLC	J.A.M. Distributing	Capitol Bearing	NCH Corporation
Non-Responsive Bid Did Not Meet Required Specs for Group 3 Synthetic Oils and Lubricants	\$24,416.72	Did Not Meet Pricing Requirements for Lowest Bid Meeting Specs	Did Not Meet Pricing Requirements for Lowest Bid Meeting Specs

Staff certifies that the response from J.A.M. Distributing meets the specifications and recommends awarding the agreement for oils and lubricants based on lowest responsive bid meeting all specifications.

PRICE ANALYSIS - The unit prices being offered are 27 percent higher than the unit prices in the previous Agreement awarded in 2014 (M&C P-11725). The recommended vendor offers a discount of 40 percent off for oils, lubricants, containers, drums and lubricant bulk items. The Property Management Department certified that the prices offered are fair and reasonable for the petroleum product market. The ITB was issued with a quantity of one (1) to establish the unit prices for oils and lubricants. The City spent approximately \$207,313.84 in the last two (2) years for oils and lubricants. No guarantee was made that a specific amount of products would be purchased.

An administrative change order or increase may be made by the City Manager in the amount up to \$50,000.00 and does not require specific City Council approval as long as sufficient funds have been appropriated.

M/WBE OFFICE - A waiver of the goal for MBE/SBE subcontracting requirements was requested by the Purchasing Division and approved by the M/WBE Office, in accordance with the BDE Ordinance, because the purchase of goods or services is from sources where subcontracting or supplier opportunities are negligible.

Upon City Council approval, this Agreement shall begin on February 18, 2020 and expire on February 17, 2021.

RENEWAL OPTIONS - This Agreement may be renewed for up to four additional one-year terms at the City's option. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendations, funds are available in the current operating budget, as appropriated, in the Fleet & Equipment Serv Fund. Prior to an expenditure being incurred, the Property Management Department has the responsibility to validate the availability of funds.

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