



AGENDA MEMORANDUM

Action Item for the City Council Meeting January 26, 2021

DATE: January 26, 2021

TO: Peter Zaroni, City Manager

FROM: Charles Mendoza, Director of Asset Management
CharlesM2@cctexas.com
(361) 826-1941

Josh Chronley, Interim Assistant Director Contracts and Procurement
Joshc2@cctexas.com
(361) 826-3169

Additives for Fleet Vehicles

CAPTION:

Motion authorizing a three-year supply agreement with Lubrication Specialist, Inc. of Houston, Texas in an amount not to exceed \$450,000.00, for the purchase of additives such as transmission fluid, power steering fluid, and diesel system fluids for fleet vehicles, with FY 2021 funding in an amount not to exceed \$150,000.00 available in the Fleet Maintenance Service Fund.

SUMMARY:

This motion authorizes a three-year supply agreement with Lubrication Specialist, Inc., through the BuyBoard Purchasing Cooperative. The supplier will provide oil, transmission, power steering, and diesel system additives/fluids stocked by the Asset Management Department for maintenance of Police vehicles and equipment and garbage trucks by the Fleet Maintenance Division.

BACKGROUND AND FINDINGS:

The Asset Management Department utilizes Lubrication Specialist, Inc. for the maintenance of associated equipment. Use of these additives is essential for necessary and timely maintenance. Asset Management performs the majority of vehicle and equipment repairs in-house. Acquisition of these additives is essential to ensure the execution of a successful and timely maintenance effort of this equipment. Furthermore, a ready supply of these additives will promote a continued high operational readiness of heavy equipment such as brush trucks, police cars and other equipment.

This procurement is through the BuyBoard Purchasing Cooperative. The contracts awarded through the BuyBoard Purchasing Cooperative have been competitively procured in compliance with Texas Local and State procurement requirements. The average percentage of savings through the BuyBoard Purchasing Cooperative contract is 6%. Lubrication Specialist, Inc., is the incumbent supplier of gas and oil additives for fleet vehicles with prices remaining competitive and unchanged.

ALTERNATIVES:

An alternative would be not to secure a long-term supply agreement. However, the Asset Management Department would have to utilize individual purchase orders for the purchase of additives on an as needed basis. This would not be as productive and would be much more time consuming. In addition, a long-term agreement allows for a better economy of scale.

FISCAL IMPACT:

The fiscal impact for Asset Management in FY 2021 is an amount not to exceed \$150,000.00 for this three-year supply agreement. The remaining cost will be budgeted in future years through the annual budget process.

FUNDING DETAIL:

Fund:	5110	Fleet Maint Svc
Organization/Activity:	40180	Parts Room Operation
Mission Element:	202	Maintain the Fleet
Project # (CIP Only):	N/A	
Account:	520210	Cost of Goods Sold

RECOMMENDATION:

Staff recommends approval of this motion authorizing a three-year supply agreement with Lubrication Specialist, Inc. for the purchase of additives as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet
Supply Agreement