



AGENDA MEMORANDUM

Action Item for the City Council Meeting of January 14, 2020

DATE: January 14, 2020

TO: Peter Zaroni, City Manager

FROM: Fred Segundo, Director of Aviation
FredS@cctexas.com
(361) 289-0171

Kim Baker, Director of Contracts and Procurement
KimB2@cctexas.com
(361) 826-3169

Motor Oil for Airport Quick Turnaround Facility

CAPTION:

Motion authorizing a three-year supply agreement with Arguindegui Oil Co. II, Ltd., of Laredo, Texas, in an amount not to exceed \$112,858.20 for the supply and delivery of full synthetic 0W20 motor oil to the Corpus Christi International Airport's Quick Turn-Around Facility as a pass-through expense at market cost to rental car tenants, effective upon issuance of notice to proceed, with funding in FY 2020 in the amount of \$31,349.50 available through the Airport CFC Fund.

SUMMARY:

This motion authorizes a contract for the supply and delivery of full synthetic motor oil to the Corpus Christi International Airport's Quick Turn-Around Facility. This motor oil supply is necessary for the Airport's Quick Turn-Around Facility rental car tenants. The motor oil is provided to the tenants as a pass-through expense at market cost.

BACKGROUND AND FINDINGS:

The Corpus Christi International Airport provides motor oil to rental car agencies leasing property at the Quick Turn-Around Facility as a pass-through expense at market cost. The Quick Turn-Around Facility provides fuel, a car wash, service bays, and motor oil for rental car agencies to swiftly process rental vehicles.

The Corpus Christi International Airport owns the storage tanks for the motor oil inside the five service bays. Auto makers recommend utilizing full synthetic 0W20 motor oil for most newer vehicles.

The Contracts and Procurement Department conducted a competitive Request for Bid (RFB) process and received three bids. Two of the bids were deemed nonresponsive, therefore, staff is recommending award to Arguindegui Oil Co. II, Ltd., as the lowest, responsive, responsible bidder.

ALTERNATIVES:

An alternative to accepting the lowest, responsive bid would be to reject all bids and not secure a long-term supply agreement. This process may cause the facility to be without motor oil for a longer period than necessary, since the issuance of individual agreements and purchase orders will be required. In addition, a long-term service agreement will allow the opportunity for savings by means of economy of scale.

FISCAL IMPACT:

The fiscal impact for the Aviation Department in FY 2020 is approximately \$31,349.50 for this three-year supply agreement with Arguindegui Oil Co. II, Ltd. for the supply and delivery of full synthetic 0W20 motor oil to the Corpus Christi International Airport's Quick Turn-Around Facility, with the remaining cost funded in future years through the annual budget process.

Funding Detail:

Fund:	4632 Airport CFC Fund
Organization/Activity:	35065 Airport Quick Turnaround Facility
Mission Element:	272 Managing Airport Operations
Project # (CIP Only):	N/A
Account:	520210 Cost of Goods Sold

RECOMMENDATION:

Staff recommends approval of this motion authorizing a supply agreement with Arguindegui Oil Co. II, Ltd. as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Supply Agreement