

41. Vehicle and Equipment Oil, Lubricants, Fluids, and Coolants

- Action:**
- A. Award the low-bid unit price contracts for providing oil, lubricants, fluids, and coolants for a two-year term to the following:**
 - Brewer Hendley Oil
 - Isgett Distributors
 - Hagan Kennington Oil Co., and
 - B. Authorize the City Manager to approve up to three additional, one-year terms with possible price adjustments as authorized by the contract.**

Staff Resource: Charles Robinson, Shared Services

Explanation

- The contracts will provide Shared Services/Fleet Management with engine oils, hydraulic fluids, transmission fluids, coolant, and other lubricants for the normal, customary, preventive maintenance schedules of vehicles and equipment in the City's Fleet including, but not limited to, Fire Apparatus, Police vehicles, sedans, medium trucks, heavy trucks, construction equipment, and other City Fleet assets.
- Shared Services/Procurement Management issued an Invitation to Bid on March 14, 2013, to provide oil, lubricants, fluids, and coolants for vehicles and equipment to the City of Charlotte and on behalf of the Charlotte Cooperative Purchasing Alliance (CCPA).
- Five responsive bids and one non-responsive bid were received.
- Brewer Hendley Oil, Isgett Distributors, and Hagan Kennington Oil were determined to be the lowest responsive, responsible bidders by category - coolant, oil, transmission fluids, hydraulic fluids, and grease - meeting all requirements including, but not limited to price, quality, performance, qualifications and experience, delivery, workmanship, ability to provide Products and Services to all potential participating public agencies, and administrative fees.
- The estimated annual expenditure is \$600,000.

Background

- The CCPA is a cooperative purchasing program established by Shared Services/Procurement Management with the specific purpose of reducing procurement costs by leveraging aggregate purchasing volume to receive better pricing.
- CCPA contracts are available for the use and to the benefit of all entities that must comply with state purchasing laws including cities, counties, public and private schools, colleges and universities, non-profits, and all governmental entities. The City of Durham has expressed interest in using these contracts.

Small Business Opportunity

No SBE goals are established for purchases of goods and equipment (Appendix Section 18 of the SBO Policy).

Funding

Shared Services Operating Budget

**STATE OF NORTH CAROLINA
CITY OF CHARLOTTE**

**FIRST AMENDMENT TO CONTRACT
TO PROVIDE OIL, LUBRICANTS, FLUIDS,
AND COOLANTS**

THIS FIRST AMENDMENT to the Contract to Provide **OIL, LUBRICANTS, FLUIDS, AND COOLANTS** (the "Amendment") is made and entered into this 16th day of July, 2013, by and between the City of Charlotte, a North Carolina municipal corporation (the "City") and Hagan Kennington Oil Company, a company doing business in North Carolina (the "Company").

STATEMENT OF BACKGROUND AND INTENT

- A. The City and the Company entered into a written Contract dated April 22, 2013 (the "Contract") pursuant to which the Company agreed to provide Oil, Lubricants, Fluids, and Coolants to the City of Charlotte.
- B. The Contract is for two years, with the City having the option to extend the term for three (3) additional one-year terms. City Council authorized these extensions on April 22, 2013.
- C. The parties now desire to amend the Contract by making certain changes to the provisions.

NOW, THEREFORE in consideration of the mutual covenants and agreements contained herein, the parties hereby amend the Contract as follows:

AGREEMENT

- 1. Defined terms used in this Amendment shall have the same meaning as are assigned to such terms in the Contract.
- 2. This First Amendment incorporates the unit price adjustments due to escalation in oil base costs as specified in **Exhibit A**.
- 3. Except to the extent specifically provided in the amendments contained herein, this Amendment shall not be interpreted or construed as waiving any rights, obligations, remedies or claims the parties may otherwise have under the Contract.
- 4. In all other respects and except as modified herein, the terms of the Agreement shall remain in force and effect.

IN WITNESS WHEREOF, and in acknowledgement that the parties hereto have read and understood each and every provision hereof, the parties have each caused this Amendment to be executed by its duly authorized representative, all as of the date first set forth above.

HAGAN KENNINGTON OIL COMPANY

BY: Artie Newcombe

PRINT NAME: Artie Newcombe

TITLE: General Manager

DATE: 7/18/2013

CITY OF CHARLOTTE:

BY: Eric D. Campbell

PRINT NAME: ERIC D. CAMPBELL

TITLE: ASSISTANT CITY MANAGER

DATE: 7/29/2013

CITY OF CHARLOTTE

RISK MANAGEMENT DIVISION:

BY: Christee Gibson

PRINT NAME: Christee Gibson

TITLE: Ins Mgr

DATE: 7/23/13

**CITY OF CHARLOTTE
CITY CLERK'S OFFICE:**

BY: Stephanie C. Kelly

PRINT NAME: Stephanie C. Kelly

TITLE: City Clerk

DATE: 8/1/13

This instrument has been pre-audited in the manner required by Local Government Budget and Fiscal Control Act.

BY: N/A – purchase orders will be issued as needed
Deputy Finance Officer

Date

CONTRACT AMENDMENT 1301033-1

PRICING SHEET

EXHIBIT A

| Item No. | Description Per Specifications | Mfg Name | Mfg Part Number | Brand Name | UOM | Unit Price | Contract Amendment #1 Unit Price | Contract Amendment #1 \$ Diff | Contract Amendment #1 % Diff |
|--|--|------------|-----------------|------------------------------|--------|------------|----------------------------------|-------------------------------|------------------------------|
| Automatic Transmission Fluid (ATF), Multi-Purpose | | | | | | | | | |
| 10 | ATF, Multi-Vehicle, Bulk | ExxonMobil | 1161 | Mobil Multipurpose ATF D/M | Gallon | \$6.99 | \$ 7.34 | \$ 0.35 | 5% |
| 11 | ATF, Multi-Vehicle, Quart Case | ExxonMobil | 3161 | Mobil Multipurpose ATF D/M | Quart | \$3.60 | \$ 3.78 | \$ 0.18 | 5% |
| 12 | ATF, Dexron VI Quart Case | ExxonMobil | 3371 | Mobil Dex VI | Quart | \$3.22 | \$ 3.38 | \$ 0.16 | 5% |
| 13 | ATF, Mercon V Quart Case | Citgo | 2087 | Citgo Transgard Mercon V ATF | Quart | \$3.60 | \$ 3.78 | \$ 0.18 | 5% |
| Hydraulic Fluid | | | | | | | | | |
| 14 | Hydraulic Fluid, Premium, Bulk | ExxonMobil | 1853 | Mobil Nuto H46 | Gallon | \$5.40 | \$ 5.70 | \$ 0.30 | 6% |
| 15 | Hydraulic Fluid, Premium, 55-Gallon Drum | ExxonMobil | 2853 | Mobil Nuto H46 | Drum | \$338.25 | \$ 355.25 | \$ 17.00 | 5% |
| Grease | | | | | | | | | |
| 19 | Grease, Premium, 120lb Keg | ExxonMobil | 2265 | Mobilgrease XHP 222 | Pounds | \$1.95 | \$ 2.05 | \$ 0.10 | 5% |