

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

SECOND AMENDMENT TO CONTRACT
TO PROVIDE OIL, LUBRICANTS, FLUIDS,
AND COOLANTS

THIS SECOND AMENDMENT to the Contract to Provide **OIL, LUBRICANTS, FLUIDS, AND COOLANTS** (the "Amendment") is made and entered into this 15th day of January, 2014 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 (2) 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 City and the Company agreed to amend the original Contract with Amendment #1 dated July 16, 2013 to incorporate unit price adjustments.
- D. The parties now desire to amend the Contract by making certain changes to the provisions, and to incorporate unit price adjustments.

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 Second Amendment incorporates the unit price adjustments due to escalation in raw material costs as specified in **Exhibit A**.
- 3. **Section 18** of the Agreement ("Miscellaneous") is hereby appended to add the following:
18.2 E-VERIFY.

As a condition for payment under this Contract, Company shall: (i) comply with the E-Verify requirements set forth in Article 2 of Chapter 64 of the North Carolina General Statutes (the "E-Verify Requirements"); and (ii) cause each subcontractor under this Contract to comply with such E-Verify Requirements as well. Company will indemnify and save harmless the City from all losses, damages, costs, expenses (including reasonable attorneys' fees), obligations, duties, fines, penalties, interest charges and other liabilities (including settlement amounts) incurred on account of any failure by Company or any subcontractor to comply with the E-Verify Requirements.

- 4. 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.
- 5. 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: [Signature]
PRINT NAME: Greg Kennington
TITLE: Pres
DATE: 1/16/14

CITY OF CHARLOTTE:

BY: [Signature]
PRINT NAME: ERIC D. CAMPBELL
TITLE: ASSISTANT CITY MANAGER
DATE: 1/27/2014

**CITY OF CHARLOTTE
RISK MANAGEMENT DIVISION:**

BY: [Signature]
PRINT NAME: Chrislee Gibson
TITLE: Insurance Manager
DATE: 1/23/14

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

BY: [Signature]
PRINT NAME: EMILY A KUNZE
TITLE: DEPUTY CITY CLERK
DATE: 01/20/14

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 1301033-2

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	Contract Amendment #2 Unit Price	Contract Amendment #2 \$ Diff	Contract Amendment #2 % 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	5.01%	\$ 7.84	\$ 0.85	12.16%
11	ATF, Multi-Vehicle, Quart Case	ExxonMobil	3161	Mobil Multipurpose ATF D/M	Quart	\$ 3.60	\$ 3.78	\$ 0.18	5.00%	\$ 3.86	\$ 0.26	7.22%
12	ATF, Dexron VI Quart Case	ExxonMobil	3371	Mobil Dex VI	Quart	\$ 3.22	\$ 3.38	\$ 0.16	4.97%	\$ 3.46	\$ 0.24	7.45%
13	ATF, Mercon V Quart Case	Citgo	2087	Citgo Transgard Mercon V ATF	Quart	\$ 3.60	\$ 3.78	\$ 0.18	5.00%	\$ 3.86	\$ 0.26	7.22%
Hydraulic Fluid												
14	Hydraulic Fluid, Premium, Bulk	ExxonMobil	1853	Mobil Nuto H46	Gallon	\$ 5.40	\$ 5.70	\$ 0.30	5.56%	\$ 6.20	\$ 0.80	14.81%
15	Hydraulic Fluid, Premium, 55-Gallon Drum	ExxonMobil	2853	Mobil Nuto H46	Drum	\$ 338.25	\$ 355.25	\$ 17.00	5.03%	\$ 382.75	\$ 44.50	13.16%
Grease												
19	Grease, Premium, 120lb Keg	ExxonMobil	2265	Mobilgrease XHP 222	Pounds	\$ 1.95	\$ 2.05	\$ 0.10	5.13%	\$ 2.13	\$ 0.18	9.23%

E-VERIFY CERTIFICATION

This E-Verify Certification is provided to the City of Charlotte (the "City") by the company signing below ("Company") as a prerequisite to the City considering Company for award of a City contract (the "Contract").

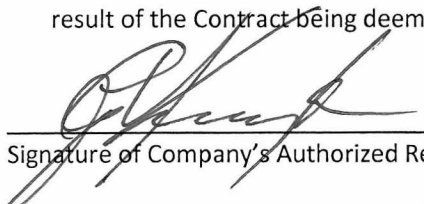
1. Company understands that:

- a. E-Verify is the federal program operated by the United States Department of Homeland Security and other federal agencies to enable employers to verify the work authorization of employees pursuant to federal law, as modified from time to time.
- b. Article 2 of Chapter 64 of the North Carolina General Statutes requires employers that transact business in this state and employ 25 or more employees in this state to: (i) verify the work authorization of employees who will be performing work in North Carolina through E-Verify; and (ii) maintain records of such verification (the "E-Verify Requirements").
- c. North Carolina General Statute 160A-20.1(b) prohibits the City from entering into contracts unless the contractor and all subcontractors comply with the E-Verify Requirements.

2. As a condition of being considered for the Contract, Company certifies that:

- a. If Company has 25 or more employees working in North Carolina (whether now or at any time during the term of the Contract), Company will comply with the E-Verify Requirements in verifying the work authorization of Company employees working in North Carolina; and
3. Regardless of how many employees Company has working in North Carolina, Company will take appropriate steps to ensure that each subcontractor performing work on the Contract that has 25 or more employees working in North Carolina will comply with the E-Verify Requirements.

3. Company acknowledges that the City will be relying on this Certification in entering into the Contract, and that the City may incur expenses and damages if the City enters into the Contract with Company and Company or any subcontractor fails to comply with the E-Verify Requirements. Company agrees to indemnify and save the City harmless from and against all losses, damages, costs, expenses (including reasonable attorney's fees) obligations, duties, fines and penalties (collectively "Losses") arising directly or indirectly from violation of the E-Verify Requirements by Company or any of its subcontractors, including without limitation any Losses incurred as a result of the Contract being deemed void.



Signature of Company's Authorized Representative



Date

Print Name and Title: Gray Kinnick



CERTIFICATE OF LIABILITY INSURANCE

HAGAN-1

OP ID: VW

DATE (MM/DD/YYYY)

01/22/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Whitesides & Company, Inc. P.O. Box 2227 Gastonia, NC 28053 W. Luther Blair, CPCU, CIC	CONTACT NAME: W. Luther Blair, CPCU, CIC PHONE (A/C, No. Ext): 704-865-3455 FAX (A/C, No): E-MAIL ADDRESS:
INSURED Hagan Kennington Oil Co., Inc. PO Box 608 Bessemer City, NC 28016	INSURER(S) AFFORDING COVERAGE INSURER A: EMC Insurance Companies INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD'L SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	X	3D6-94-03-14	12/11/2013	12/11/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		3E6-94-03-14	12/11/2013	12/11/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (PER ACCIDENT) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		3J6-94-03-14	12/11/2013	12/11/2014	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input type="checkbox"/> N/A	N/A	3H6-94-03-14	12/11/2013	12/11/2014	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A	Equipment Floater		3C6-94-03-14	12/11/2013	12/11/2014	Lsd/Rntd 50,000
A	Crime		3F6-94-03-14	12/11/2013	12/11/2014	Fidelity 300,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

City of Charlotte is listed as an Additional Insured with respect to the above insureds General Liability. Contract # 1301033.

CERTIFICATE HOLDER**CANCELLATION**

CITYC-3 City of Charlotte Genetta Carothers Charlotte Meck Procurement 600 East Fourth St. Charlotte, NC 28202	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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