



City Council Report

Date: June 6, 2022
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Kristy Garcia, Procurement Administrator
Subject: Use of Two Additional Cooperative Contracts, Award of an Additional Vendor and Dollar-Limit Increase to the Term Contract for Lubricants, Oils, and Grease for the Fleet Services Department **(Citywide)**

Recommendation

Council is requested to approve the contract amendment as recommended.

The Water Resources and Fleet Services Departments and Purchasing recommend authorizing the use of the State of Arizona cooperative contract with Cummins Sales and Service and the City of Tucson contract with Senergy Petroleum, LLC; and recommend increasing the dollar limit by \$458,000 annually, from \$100,000 to \$558,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

On April 18, 2022, Council approved this contract for Water Resources' use of lubricants, oils, and grease for the maintenance of pumps, motors, and other equipment located at the City's various water and wastewater treatment facilities.

The City is terminating its current lead agency cooperative contract for lubricants for convenience (no fault) because there was little interest from other agencies. This contract amendment, adding both the State of Arizona and City of Tucson cooperative contracts, will make available the types of lubricants needed by Fleets Services, as well as make more lubricating products available to Water Resources.

The State of Arizona and City of Tucson cooperative contracts have been competitively solicited and meet the City's procurement requirements. Water Resources, Fleet Services and Purchasing believe these cooperative contracts are advantageous to the City and that going out for a formal bid would not result in any significant cost savings to the City.

Purchase Information

Action: Amendment (Use of Additional Cooperative Contracts and Dollar-Limit Increase)

Procurement Type: Cooperative Contract Use

Contract Number: 2022190 (2022253, 2022254)

Contracting Agency/Contract Number

City of Tucson / 161457 (Senergy Petroleum, LLC) and State of Arizona / CTR050409
(Cummins Sales and Service) (Recommended 6/6/2022)

State of Arizona / CTR058938 (Arizona Petroleum) and CTR058939 (Senergy Petroleum) (Awarded 4/18/2022)

Initial Contract Term: Various Terms

Possible Renewals: Up to a maximum of four years subject to lead agency renewing, Administrative review and approval

Funding Source: Enterprise - Water and Wastewater Enterprise Operations and Maintenance and Greenfield Joint Venture Fund Operations and Maintenance \$100,000; and Fleet Services Department operating budget through Fleet Internal Services Fund \$458,000

Dollar Limit History

Original Council Award – 4/18/2022: \$100,000.00

Cooperative Contracts and Vendor Additions – 6/6/2022: \$458,000.00

New Contract Value: \$558,000.00

One-Year Renewal Options: \$558,000.00