

**City Council-Regular**

**Meeting Date:** 08/21/2023

**Initiated By:** Rosario Cabello, Deputy City Manager

**Staff Source:** Robert J. Garza, Laredo Transit Management General Manager, Mark DeMay, Financial Services Director, Miguel A. Pescador, Purchasing Agent

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**SUBJECT**

Consideration to award a two-year contract FY23-059, for the purchase of engine oil and transmission fluid for the Laredo Transit Management, Inc. (El Metro) to the lowest responsible bidder, Arguindegui Oil Company, Laredo, Texas in an annual amount up to \$79,000.00 for the purchase of engine oil and transmission fluid for the Laredo Transit Management, Inc., (El Metro). The term of this contract shall be for a period of two (2) years, subject to future appropriations, beginning as of the date of its execution. This contract may be extended for two, additional two (2) year periods, upon mutual agreement of the parties. Funding is available in the Laredo Transit Management, Inc., (El Metro) budget.

**VENDOR INFORMATION FOR COMMITTEE AGENDA**

None.

**PREVIOUS COUNCIL ACTION**

None.

**BACKGROUND**

The City received six (6) bids through Cit-E-Bid for furnishing the Laredo Transit Management, Inc., (El Metro) with engine oil and transmission fluid for a 2-year period. All items will be purchased on an as need basis throughout the contract period. During the period of this contract, prices may be increased and decreased. Awarding to the second-lowest bidder, due to The Plaza Group withdrawing their bid (email documentation on file). However, price changes will be governed by an index made up of the composite posted prices in the Laredo area of those companies published in the daily publication of Oil Price Information Service (OPIS). The base price shall be the OPIS average rack price for the Laredo area.

The term of this contract shall be for a period of two year (2) beginning as of the date of its execution. The contract may be extended for two, additional two (2) year periods. Should the vendor desire to extend the contract for the additional two-year period, it must so notify the City in writing no later than sixty (60) days before the expiration of the prior term. Such notification shall be effective upon actual receipt by the City.

Renewals shall be in writing and signed by the City's Purchasing Manager & City Manager or his designee, without further action by the Laredo City Council, subject to and contingent upon appropriation of funding therefore. All annual contracts shall bound by the terms of the bid documents. The City shall also have the right to extend this contract under the same terms and conditions beyond the original term or any renewal thereof, on a month-to-month basis, not to exceed 3 months. Said month to month extensions shall be in writing, signed by the City's Purchasing Manager & City Manager or his designee, and shall not require City Council approval, subject to and contingent upon appropriation of funding therefore. The City reserves the right to renew or rebid this contract, if the appropriated funds initially approved by City Council are exhausted before the contract expiration date. This contract shall be the responsibility of and administered by the vendor and the Laredo Transit Management, Inc., (El Metro).

Contract Pricing:

<b>Arguindegui Oil Company</b>	<b>Unit Cost</b>	
Engine Motor Oil CNG Synthetic Blend 275 Gallon Tote	\$ 3,751.00	
Automatic Transmission Fluid Drum 55 Gallon Drum	\$ 1,472.90	

A complete bid tabulation is attached.

**COMMITTEE RECOMMENDATION**

None.

**STAFF RECOMMENDATION**

It is recommended that this contract be approved.

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**Fiscal Impact**

**Fiscal Year:** 2023  
**Budgeted Y/N?:** Yes  
**Source of Funds:** Laredo Transit Management  
**Account #:** 558-5812-582-6660  
**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

The purpose of this contract is to establish prices for the commodities or services needed should the City need to purchase these commodities or services. The City's obligation for performance of an annual supply contract beyond the current fiscal year is contingent upon the availability of appropriated funds from which payments for the contract purchases can be made. If no funds are appropriated and budgeted during

the next fiscal year, this contract becomes null and void.

**Fiscal Year:** 2023  
**Budgeted Y/N?:** Yes  
**Source of Funds:** Laredo Transit Management  
**Account #:** 558-5811-582-6660  
**Change Order: Exceeds 25% Y/N:**  
**FINANCIAL IMPACT:**

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**Attachments**

Bid Tab FY23-059  
FY23-059 Contract

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