

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: General Services & Transit – Authorize a two-year purchasing agreement to furnish lubricating oils

Ref: Bid No B2009-09

Expenditure: Not to exceed \$175,955.44

RECOMMENDATION

Recommendation of the General Services Director and Transit Director that the City Council authorize a purchasing agreement with G.P. Resources, Inc., dba General Petroleum of Rancho Dominguez, California, to furnish lubricating oils on an as-needed basis for a period of two (2) years, effective May 20, 2009 through May 19, 2011, in an amount not to exceed \$175,955.44 including sales tax and applicable fees.

Funding

Funding for the purchase of lubricating oils is available in Fleet Services and Transit FY 2008-09 Operating Budgets and is anticipated to be available in the 2009-10 and 2010-11 Operating Budgets as well.

BACKGROUND

Lubricating oils are essential to conducting ongoing preventive maintenance services on the City's fleet of vehicles, Transit Buses, and other items of motorized equipment.

Although original bid specifications requested quotes for both virgin and re-refined (recycled) products, staff has since elected not to select any of the re-refined products because a number of engine manufacturers including Caterpillar will not warranty engine failure if recycled oil is used. As much as staff would like to further enhance our green efforts in this area, it is impractical to do so at this time due to the warranty risks associated with the use of recycled oil.

ANALYSIS

Bid number B2009-09 was opened on April 30, 2009. The City received a total of 5 bids. Bid submissions cover a variety of oil and lubricant products used by both Fleet Services and Transit.

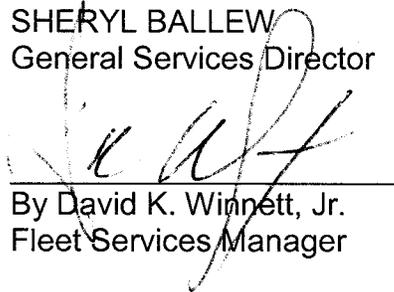
Overall bid results are as follows:

General Petroleum Rancho Dominguez, CA	Rosemead Oil Santa Fe Springs, CA	Southern Counties Oil Orange, CA	Jankovich Oil Paramount, CA	Cosby Oil Santa Fe Springs, CA
*\$175,955.44	\$179,496.00	\$184,267.46	\$185,488.00	\$214,972.00

* Lowest responsible bidder

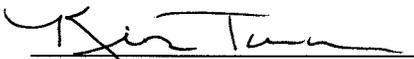
Respectfully submitted,

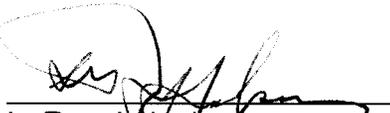
SHERYL BALLEW
General Services Director


By David K. Winnett, Jr.
Fleet Services Manager

CONCUR:


Sheryl Ballew
General Services Director


Kim Turner
Transit Director


LeRoy J. Jackson
City Manager