



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 17, 2024

FROM: GENERAL SERVICES DEPARTMENT WARDS: ALL

SUBJECT: APPROVE A CHANGE ORDER IN THE AMOUNT OF \$25,606.65 FOR PURCHASE AND DELIVERY OF LUBRICANT PRODUCTS FOR CITY OF RIVERSIDE VEHICLES AND EQUIPMENT WITH SC COMMERCIAL, LLC IN THE TOTAL AMOUNT OF \$119,106.65 FOR FISCAL YEAR 2023/2024.

ISSUE:

Approve a change order in the amount of \$25,606.65 for purchase and delivery of lubricant products for City of Riverside vehicles and equipment with SC Commercial, LLC in the total amount of \$119,106.65 for Fiscal Year 2023/2024.

RECOMMENDATIONS:

That the City Council:

1. Approve a change order in the amount of \$25,606.65 for purchase and delivery of lubricant products for City of Riverside vehicles and equipment with SC Commercial, LLC in the total amount of \$119,106.65 for Fiscal Year 2023/2024.
2. Authorize 20% change order authority for the purchase of lubricant products for City vehicles and equipment for FYs 2024/25 and 2025/26.

BACKGROUND:

The City of Riverside (City) Fleet Management Division maintains a variety of light and heavy-duty vehicles for multiple City departments that require lubrication products. On May 5, 2021, Riverside County Department of Purchasing and Fleet Services issued Request for Quotes, RIVCO-2021-RFQ-0000276, for lubrication products. On June 1, 2021, the County of Riverside entered in a contract with SC Commercial, LLC for a five-year term, renewed annually, ending May 31, 2026.

SC Commercial, LLC (formerly known as The SoCo Group, Inc.) has supplied oil and lubrication products as needed to the City of Riverside since 2009 and has provided exceptional service.

On May 23, 2022, SC Commercial LLC agreed to extend current pricing at the current level of services, and the same or better terms and conditions as offered to the County of Riverside through May 31, 2026.

On June 28, 2022, the City Council approved the purchase and delivery of lubricant products for City of Riverside vehicles and equipment with SC Commercial, LLC of Orange, CA in the amount of \$85,000 for Fiscal Year 2022/2023, and approved three one-year renewal period options with SC Commercial, LLC for the purchase and delivery of lubricant products in the amounts of \$93,500 for FY 2023/24, \$102,850 for FY 2024/25, and \$113,135 for FY 2025/26.

DISCUSSION:

At the beginning of FY 2023/24, Purchase Order No. 241571 was issued in the amount of \$93,500.00 plus 10% change order authority in the amount of \$9,350 for a total of \$102,850. Due to market volatility, lubrication product costs for FY 2023/24 total \$119,106.65, requiring a change order in the amount of \$25,606.65.

At this time, staff also requests Council approval to increase change order authority from 10% to 20% for FYs 2024/25 and 2025/26 to account for continued market volatility for lubrication products for City vehicles and equipment.

Purchasing Resolution 24101 Section 1104 Change Orders states, "Unless otherwise specifically authorized by the Awarding Entity, Change Orders which cumulatively exceed the following will require Awarding Entity approval.... (c) 10% of the original contract price for Contracts and/or Purchase Orders previously approved by the Awarding Entity and the total Change Order amount will not exceed \$150,000."

The Purchasing Manager concurs that the recommendations are in compliance with Purchasing Resolution 24101.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the City's Strategic Priority No. 5 *High Performing Government* to provide world-class public service that is efficient, accessible and responsive to all.

This item aligns with EACH of the five Cross-Cutting Threads as follows:

1. **Community Trust** – A majority of city owned vehicles and equipment require various oils and lubricant products to safely provide services throughout the City of Riverside. This action builds community trust by ensuring the city is delivering on the needs of the residents.
2. **Equity** – This item will equally serve City staff and City residents.
3. **Fiscal Responsibility** –Lubricant products for City vehicles and equipment were competitively bid, ensuring the best possible prices based on Colton Oil Price Information Service (OPIS) Daily Unbranded Rack Average Price.
4. **Innovation** – By submitting this change order, City staff will be better able to forecast the cost of oils and lubricants moving forward and compare these costs with alternatives.

5. Sustainability & Resiliency – Access to lubricant products helps to ensure that the City’s fleet is properly maintained, furthering the City’s resiliency.

FISCAL IMPACT:

The total fiscal impact of this action for FY 2023/24 is \$119,106.65, including the requested \$25,606.65 change order to Purchase Order No. 241571. The funds are available in Central Garage-Inventory – Auto Stores account no. 000650-141200. Appropriations for future fiscal years will be included in the Department’s Budget submissions for those fiscal years to be presented to the City Council for approval.

Fiscal Year	Annual Amount
FY 2023/24 (including \$25,606.65 change order)	\$119,106.65
FY 2024/25 (including 20% change order authority)	\$123,420.00
FY 2025/26 (Including 20% change order authority)	\$135,762.00

Prepared by: Joshua Monzon, Administrative Analyst
 Approved by: Carl Carey, General Services Director
 Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
 Approved by: Edward Enriquez, Assistant City Manager/Chief Financial Officer/
 Treasurer
 Approved as to form: Phaedra A. Norton, City Attorney