



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 28, 2022**

FROM: GENERAL SERVICES DEPARTMENT **WARDS: ALL**

SUBJECT: PURCHASE AND DELIVERY OF LUBRICANT PRODUCTS FOR CITY OF RIVERSIDE VEHICLES AND EQUIPMENT WITH SC COMMERCIAL, LLC IN THE TOTAL AMOUNT OF \$85,000 FOR FISCAL YEAR 2022/2023 WITH THREE ONE-YEAR RENEWAL PERIOD OPTIONS

ISSUE:

Approve the purchase and delivery of lubricant products for City of Riverside vehicles and equipment with SC Commercial, LLC of Orange, CA in the total amount of \$85,000 for Fiscal Year 2022/2023 with three one-year renewal period options.

RECOMMENDATIONS:

That the City Council:

1. Approve the purchase and delivery of lubricant products for City of Riverside vehicles and equipment with SC Commercial, LLC of Orange, CA in the total amount of \$85,000 for Fiscal Year 2022/2023;
2. Approve 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 inclusive of 10% annual increases for market volatility; and
3. Authorize the City Manager, or designee, to execute all documents pursuant to this purchase including making minor and non-substantive changes, and annual renewal extensions.

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.

DISCUSSION:

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.

Purchasing Resolution 23812, Section 602(h) states, “Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances:...(h) When Goods can be Procured from a Bidder who offers the same or better price, terms and conditions as the Bidder previously offered as the Lowest Responsive Bidder under Competitive Procurement conducted by the City or another public agency, provided that, in the opinion of the Manager, it is in the best interests of the City to do so.”

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 23812, Section 602(h).

STRATEGIC PLAN ALIGNMENT:

This item contributes to the City’s Strategic Priority No. 5 *High Performing Government* and Indicator – Financial Health, as it’s fiscally prudent to lock in wholesale pricing for an extended term.

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 in order to safely provide services throughout the City of Riverside. This action builds community trust by ensuring the city is receiving necessary products at a competitively bid price.
2. **Equity** – This item is neutral towards this cross-cutting thread.
3. **Fiscal Responsibility** – The proposed action has been competitively bid in accordance with Purchasing Resolution No. 23812, Section 602(h). This contributes to the City’s financial health by ensuring the City will be receiving the best pricing.
4. **Innovation** – By entering into this multi-year partnership for lubricant products, the city is better able to forecast oils and lubricants requirements and budget needs.
5. **Sustainability & Resiliency** – The multi-year contract for the purchase and delivery of lubricant products will ensure all city departments have access to these products even when supplies may be running low.

FISCAL IMPACT:

The total fiscal impact of the action is \$85,000. The funds are available in the Central Garage Fund, Central Garage Motor Pool, Motor Fuels & Lubricants account no. 2215200-426300. 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 2022/2023	\$85,000
FY 2023/2024 (including 10% volatility)	\$93,500
FY 2024/2025 (including 10% volatility)	\$102,850
FY 2025/2026 (including 10% volatility)	\$113,135

Prepared by: Carl Carey, General Services Director
 Certified as to
 availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/Treasurer
 Approved by: Kris Martinez, Assistant City Manager
 Approved as to form: Phaedra Norton, City Attorney

Attachments:

1. County of Riverside Request for Quote RFQ-0000276
2. County of Riverside Bid Result
3. SC Commercial, LLC Letter