



Meeting Date: April 4, 2016

Consent Docket Item: 2-b

Report No.: SUA-16-21

Department: Electric Utility

Subject: Bid Recommendation: Lube Oil – SUA Bid #12-15/16

Budget Impact: No additional appropriations are necessary for this action.

Prior Council Action or Part of an Approved Project: Yes

Related Items: [http://files.stillwater.org/agendas/uaagendas/2014/060214_1169/SUA-14-31 PGS Completion Plan.pdf](http://files.stillwater.org/agendas/uaagendas/2014/060214_1169/SUA-14-31_PGS_Completion_Plan.pdf)

Alternatives:

1. Award the bid for lube oil to Tulco Oils Inc. in the amount of \$105,268.
2. Reject the bid from Tulco Oils Inc. and direct staff to repeat the bidding process.

Recommendation: It is recommended that the Trustees award the bid for the lube oil to the lowest responsible bidder, Tulco Oils Inc. in the amount of \$105,268, authorize expenditures from the SEC project fund up to \$115,795 (includes a 10% contingency) and authorize staff to enter into a purchase agreement subject to satisfactory negotiation of the terms and conditions of the purchase.

Prepared by: Loren Smith, G & T Division Manager

Background Information:

On June 2, 2014, the Trustees approved the Stillwater Energy Center (SEC) project. Since then staff has been working to procure the equipment and supplies necessary to complete the project. The lubricating oil will be used to provide lubrication to the engines and generators. Each engine will hold approximately 3200 gallons of oil and there is a 10,000 gallon new oil storage tank.

Discussion: Specifications and bid documents were prepared by the project engineer Burns and McDonnell (BMCD). Bid solicitations were advertised in accordance with the City's purchasing manual and

bid specifications were sent to perspective bidders on February 24, 2016. On March 16, 2016, three bids were received and opened. The bids were then evaluated by BMCD and staff.

Manufacturer	<u>Bid Price (\$)</u>
Tulco Oils Inc.	105,268
RelaDyne/Fentress Oil	112,975
Idemitsu Lubricants America Corp.	159,990

Tulco submitted the lowest bid for the lubricating oil and they stated that they could meet the guaranteed delivery dates. Therefore, Tulco Oils Inc. submitted the lowest responsible bid.

Bid Exceptions: The bid included exceptions to the terms and conditions contained within the bid documents. As part of the bid evaluation process, each exception has been reviewed and additional information has been obtained from the bidder. The exceptions will have to be negotiated with the successful vendor (lowest responsible bidder) prior to execution of a contract.