

ITEM #:	<u>28</u>
DATE:	<u>04-28-26</u>
DEPT:	<u>TRANSIT</u>

## COUNCIL ACTION FORM

**SUBJECT: OIL AND LUBRICANTS CHANGE ORDER**

### BACKGROUND:

On July 8, 2025, the City Council awarded a contract renewal to Heritage Petroleum of Evansville, IN, for the purchase of oils and lubricants for Fleet Services and CyRide in FY 2025/26. The contract was for a not-to-exceed amount of \$49,300. Fleet Services' budgeted funds totaled \$15,300, and CyRide's budgeted funds totaled \$34,000.

After the contract renewal was awarded, CyRide received invoices totaling \$12,419.99 from Heritage Petroleum LLC for the previous fiscal year that were not billed until the current fiscal year. Due to their late receipt, these invoices could not be taken into account when determining the FY 2025/26 contracted amount. As a result, CyRide's purchases of oil and lubricants for this fiscal year have exceeded the Council approved amount of \$34,000.

To account for the prior year's invoices and anticipated remaining usage for FY 2025/26, CyRide is requesting a change order to increase its portion of the contract amount to \$62,000. The revised total reflects the addition of the prior-year invoices plus expected usage levels for oil and lubricants. Due to CyRide's total portion of the contract amount exceeding \$50,000, City Council approval is required prior to proceeding. Staff has evaluated the commodities budget and determined that this change order will not exceed the total budgeted amount.

Fleet Services portion of the contract totaling \$15,300 does not need adjusted. Therefore, a revised purchase order amount totaling \$77,300 will allow CyRide and Fleet Services to continue to maintain equipment properly and keep it in a good state of repair.

The Transit Board of Trustees approved the requested change order and increased CyRide's portion of the total contract to \$62,000 at its meeting on April 16, 2026.

### ALTERNATIVES:

1. Approve the change order increasing the total purchase order cost to \$77,300 for the purchase of oils, lubricants and fluid analysis kits from Heritage Petroleum of Evansville, IN.
2. Do not approve the requested change order.

### CITY MANAGER'S RECOMMENDED ACTION:

Approving the change order and revised contract amount is necessary for CyRide to support its ongoing operations and ensure continuity of the joint contract with Fleet Services. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.