

December 10, 2019

C-8

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. RFP PR19-055 and authorize the City Manager, or designee, to award a contract to Dion and Sons, Inc., of Long Beach, CA, to operate and maintain boat fueling facilities in the City of Long Beach Marinas, for a period of five years, with the option to renew for two additional five-year periods, at the discretion of the City Manager; and authorize the City Manager, to execute all documents necessary to enter into the contract, including any necessary amendments. (Districts 2, 3)

DISCUSSION

City Council approval is requested to enter into a contract with Dion and Sons, Inc., to operate and maintain boat fueling facilities in the City of Long Beach (City) Marinas.

The contract for fueling operations, which consisted of the sale of fuel for boats, oil, spark plugs, storage batteries, parts for propulsion machinery, fresh water, and ice expired in December 2018. A new Request for Proposal (RFP) was issued to identify the best provider to operate and maintain the boat fueling facilities in City Marinas.

The RFP was advertised in the Long Beach Press-Telegram on February 11, 2019, and 212 potential proposers specializing in marina fueling facility operations were notified of the RFP opportunity. Of those proposers, 14 downloaded the RFP via the City's electronic bid system. The RFP document was made available from the Purchasing Division, located on the seventh floor of the old City Hall, and the Purchasing Division's website at www.longbeach.gov/purchasing. A RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which was sent to 28 local, minority and women-owned business groups. One proposal was received on April 30, 2019. The one proposer was not a Minority-owned Business Enterprise (MBE), Woman-owned Business Enterprise (WBE), or certified Small Business Enterprise (SBE), but was a Long Beach business (Local). The selection committee determined that Dion and Sons, Inc., of Long Beach, CA (Local), was qualified to provide the service.

Staff from the Parks, Recreation and Marine Department (PRM) reviewed and evaluated the proposal from Dion and Sons, Inc., based on the criteria set forth in the RFP, and determined that Dion and Sons, Inc., met the following RFP criteria:

- Demonstrated competence and qualifications;
- Experience in performance of comparable engagements;
- Expertise, availability, and qualifications of key personnel;

- Financial stability;
- Conformance with the terms of this RFP;
- Reasonableness of cost; and,
- Ability to enter into a lease agreement that meets or exceeds all expectations of the City.

Local Business Outreach

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download RFP specifications. Through outreach, 27 Long Beach businesses were notified to submit proposals, of which three downloaded and one submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

The proposed contract contains the following major provisions:

- Initial Term: Five years, beginning January 1, 2020 through December 31, 2024.
- Renewable Options: Two additional five-year renewal options at the discretion of the City Manager, or designee.
- Permitted Use: Fueling facilities operations and improvements, operational safety of the facilities, fueling services, fueling supply, and management and staffing.
- Permitted Areas: Fueling facilities located at:
 - Alamitos Bay Marina, 227 N. Marina Drive (located between Basin 1 and 2)
 - Shoreline Marina, 700 E. Shoreline Drive (Dock GG)
- Permitted Revenue: Payment to the City of \$4,000 per month or \$48,000 annually; and monthly variable amounts will be paid, in addition to the \$4,000 per month, based upon:
 - \$.05 per gallon for all diesel fuel and gasoline sold at the Alamitos Bay Marina and Shoreline Marina fueling facilities.
 - 8 percent of the gross profit (sales minus cost of goods sold) for all items sold at the stores at the Alamitos Bay Marina and Shoreline Marina fueling facilities.
 - 8 percent of the gross sales from Vessel Assist services provided by The Bolder Group/Boats US.

Variable amounts will be paid based on the following terms:

- The variable amounts will be calculated at each month end (15th of the following month).
- If the variable amount is less than \$4,000, no variable payment will be made to the City.

- If the variable amount is greater than \$4,000, a variable payment will be made to the City as follows: Variable amount minus \$4,000 equals variable payment to the City.
- Insurance: Dion and Sons, Inc., will provide proof of insurance as required by the City's Risk Manager.

This matter was reviewed by Deputy City Attorney Arturo D. Sanchez on October 28, 2019, Purchasing Agent Tara Yeats on November 4, 2019, and by Revenue Management Officer Geraldine Alejo on November 14, 2019.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. RFP PR19-055 and award a contract concurrently is requested on December 10, 2019, to ensure that the contract is in place expeditiously.

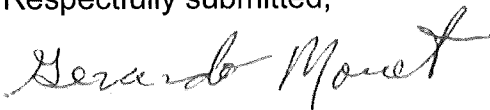
FISCAL IMPACT

The City will receive an estimated annual revenue in the amount of \$48,000. Revenues will accrue in the Tidelands Area Fund Group in the Parks, Recreation and Marine Department. Actual annual revenues received through this agreement may be higher due to variable revenues remitted to the City based on sales generated at the fueling facilities. This recommendation has no staffing impact beyond the budgeted scope of duties and is consistent with existing City Council priorities. The award of this contract will provide continued support to our local economy by assisting in the preservation of 45 employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



GERARDO MOUET
DIRECTOR OF PARKS, RECREATION AND MARINE

APPROVED:


THOMAS B. MODICA
ACTING CITY MANAGER