

C-8

September 13, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution to authorize the City Manager, or designee, to execute all documents necessary to amend Contract No. 36105 with McNeilus Financial, Inc., dba McNeilus Truck & Manufacturing, of Dodge Center, MN, for providing McNeilus brand truck parts, to increase the contract amount by \$115,000, for a revised annual contract amount of \$215,000, with a 15 percent contingency of \$32,250, for a revised total annual amount not to exceed \$247,250; and,

Increase appropriation in the Fleet Services Fund Group in the Financial Management Department by \$115,000, offset by funds available generated by revenue collected from user departments through the Fleet Memorandum of Understanding (MOU) monthly billing. (Citywide)

DISCUSSION

City Council approval is requested to amend Contract No. 36105 with McNeilus Financial, Inc., dba McNeilus Truck & Manufacturing (MTM) for providing McNeilus brand truck parts for the ten McNeilus vehicles used by the Public Works Department for refuse collection operations. Upon approval, additional funds of \$115,000 will be added to the first-year term starting December 6, 2021, and each subsequent year thereafter.

On May 11, 2021, the City Council adopted a Resolution (Res 21-0043) to award a contract to MTM for the purchase of McNeilus truck parts for the existing McNeilus truck fleet in an annual amount of \$100,000 for a period of two years, with the option to renew for three additional one-year periods, at the discretion of the City Manager.

Additional appropriation is needed due to market-wide increases in all parts prices, as well as increased need for parts for an aging refuse fleet. The ten McNeilus refuse trucks in the fleet are used on various routes throughout Long Beach. These vehicles are 12-13 years old and are breaking down more frequently due to their age.

MTM is the original equipment manufacturer (OEM) for the City of Long Beach's (City) McNeilus branded refuse trucks and the only provider of these parts which are specialized and unique to McNeilus' proprietary design. Access and use of OEM parts are not only important in keeping critical refuse equipment in operation, but also maintaining

warranties, which save the City money. Additional funds are being requested to continue maintaining these City assets at the manufacturer's recommended level of performance.

This matter was reviewed by Deputy City Attorney Anita Lakhani and Purchasing Agent Michelle Wilson on August 26, 2022 and by Revenue Management Officer Geraldine Alejo on August 17, 2022.

TIMING CONSIDERATIONS

City Council action is requested on September 13, 2022, to ensure that a contract amendment is in place expeditiously and parts ordering and delivery services can continue uninterrupted.

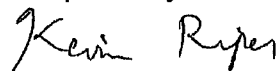
FISCAL IMPACT

The revised total annual contract amount will not exceed \$247,250, inclusive of a 15 percent contingency. An appropriation increase of \$115,000 is requested in the Fleet Services Fund Group in the Financial Management Department, offset by funds available generated from revenue collected from departments through the Fleet Memorandum of Understanding (MOU). Actual charges to user departments will be based on replacement parts needed. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KEVIN RIPER
DIRECTOR OF FINANCIAL MANAGEMENT

ATTACHMENT – RESOLUTION

APPROVED:



THOMAS B. MODICA
CITY MANAGER

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO CONTRACT 36105 WITH MCNEILUS FINANCIAL, INC., DBA MCNEILUS TRUCK AND MANUFACTURING, FOR PROVIDING MCNEILUS BRAND TRUCK PARTS TO INCREASE THE CONTRACT AMOUNT BY \$115,000 FOR A REVISED ANNUAL CONTRACT AMOUNT OF \$215,000, WITH A 15 PERCENT CONTINGENCY OF \$32,250, FOR A TOTAL ANNUAL AMOUNT NOT TO EXCEED \$247,250

WHEREAS, the City and McNeilus Financial Inc., dba McNeilus Truck & Manufacturing entered into Contract No. 36015 (“Contract”) for the purchase of McNeilus truck parts for City’s existing truck fleet in an annual amount of \$100,000 for a period of two years, with the option to renew for three additional one-year periods, pursuant to the authority provided by Resolution No. RES-21-0043;

WHEREAS; additional appropriation is needed due to a market-wide increase in all parts prices, as well as increased need for parts for aging refuse fleet. The ten McNeilus refuse trucks in the existing fleet are used on various routes throughout the City of Long beach and are 12-13 years old and need more frequent repairs due to age;

WHEREAS, the City desires to enter into an amendment to Contract 36015 with McNeilus Financial, Inc. dba McNeilus Truck & Manufacturing (McNeilus) to provide McNeilus brand truck parts by increasing the Contract by \$115,000 for a revised annual contract amount of \$215,000, with a 15% contingency of \$32,250, for a total annual amount not to exceed \$247,250 to be added to the first year term and each subsequent year thereafter;

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WHEREAS; McNeilus Financial Inc., dba McNeilus Truck & Manufacturing is the original equipment manufacturer (OEM) for the City's McNeilus branded refuse trucks and the only provider of these parts which are specialized and unique to McNeilus' proprietary design. Access and use of OEM parts are not only important in keeping critical refuse equipment in operation, but also maintaining warranties, which save the City money. Additional funds are being requested to continue maintaining these City assets at the manufacturer's recommended level of performance; and

WHEREAS, no useful purpose would be served by advertising for bids and to do so would constitute an idle and useless act and an unnecessary expenditure of public funds.

NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. The City Manager is hereby authorized to enter into an amendment to Contract No. 36105 with McNeilus Financial Inc., dba McNeilus Truck & Manufacturing for providing McNeilus brand truck parts, to increase the contract amount by \$115,000 for a revised annual contract amount of \$215,000, with a 15 percent contingency of \$32,250, for a total annual amount not to exceed \$247,250. The parties may, by mutual agreement, extend the term for three (3) additional one-year periods, at the discretion of the City Manager. The additional funds of \$115,000 will be added to the first year term starting December 6, 2021, and each subsequent year thereafter.

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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 W. Ocean Boulevard, 9th Floor
Long Beach, CA 90802

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Section 2. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2022, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk