



# CITY OF LONG BEACH

# R-24

DEPARTMENT OF FINANCIAL MANAGEMENT

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July 6, 2010

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt Specifications No. PA-01010 and award contracts to Maxum, DBA General Petroleum, a Long Beach-based business (not an MBE, WBE or SBE), and A. P. Fischer, Inc., a Long Beach-based business (Local SBE), in a total amount of \$200,000 for furnishing and delivering petroleum products, for a period of one year, with the option of renewing for one additional one-year period, at the discretion of the City Manager. (Citywide)

## DISCUSSION

City Council approval is being requested to enter into annual contracts for furnishing and delivering petroleum products such as motor oil, power steering fluid and transmission fluid to support the Department of Public Works, Fleet Services Bureau's vehicle maintenance program. This contract supports 1,410 vehicles that includes, but is not limited to, police sedans, fire trucks, paramedic ambulances, street sweepers, packers, pick-ups, inspector sedans, parking enforcement jeeps, hybrids, undercover sedans and motorcycles.

The bid for furnishing and delivering petroleum products was advertised in the Press Telegram on March 23, 2010, and 77 potential bidders specializing in petroleum products were notified. Of those bidders, 31 downloaded the bid via our electronic bid system. The bid document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at [www.longbeach.gov/purchasing](http://www.longbeach.gov/purchasing). A bid announcement was also included in the Purchasing Division's weekly update on Open Bid Opportunities, which is sent to 30 local, minority and women's business groups. Seven bids were received and a public bid opening occurred on April 15, 2010. Of those seven bids, none were Women-owned Business Enterprises (WBEs), one was a Minority-owned Business Enterprise (MBE), one was a Disadvantaged Business Enterprise (DBE), one was a Small Business Enterprise (SBE) and two were Long Beach businesses (Local). Maxum, DBA General Petroleum, of Long Beach, CA (Local), and A. P. Fischer, Inc., of Long Beach, CA (Local SBE), are the lowest responsible bidders.

This matter was reviewed by Deputy City Attorney Amy R. Burton and Budget Management Officer Victoria Bell on June 15, 2010.

SUSTAINABILITY

With the addition of re-refined and synthetic oil to the City's supply chain, we have achieved a number of sustainable benefits:

- **Environmental benefits** – The use of re-refined oils and lubricants reduce virgin oil production and refinement. Preserving the petroleum resources and reducing the amount of used oil will reduce air pollution.
- **Energy security benefits** – The utilization of re-refined oils and lubricants reduces demand for foreign oils and lubricants.
- **Economic benefits** – The use of re-refined oils is less expensive in general. Re-refinement of oil is done domestically.
- **Quality benefits** – Re-refined oils and synthetic oils and lubricants are like-quality to virgin products and last longer with increased viscosity.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-01010 and award contracts concurrently is requested on July 6, 2010 to ensure that the contracts are in place expeditiously.

FISCAL IMPACT

The total annual cost of these contracts is \$200,000 and is budgeted in the Fleet Services Fund (IS 386) in the Department of Public Works (PW). The award of these contracts will provide continued support to our local economy by assisting in the preservation of 20 full-time employees residing in Long Beach with employment.

SUGGESTED ACTION:

Approve recommendation.


Respectfully submitted,



LORI ANN FARRELL  
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

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APPROVED:

  
PATRICK H. WEST  
CITY MANAGER