



# CITY OF LONG BEACH

# R-23

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6<sup>th</sup> Floor • Long Beach, CA 90802 • (562) 570-6845 • Fax (562) 570-5836

July 6, 2010

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Amend Contract No. 29997 with Ocean Blue Environmental Services, Inc., a Long Beach-based business (an MBE, WBE, DBE and LSBE), to extend current emergency and non-emergency hazardous waste removal services, by an additional \$615,000 for nine months. (Citywide)

## DISCUSSION

City Council approval is being requested to amend the current emergency and non-emergency hazardous waste removal services contract with Ocean Blue Environmental Services, Inc., by an additional \$615,000 for nine months. City Council action will authorize the City Manager to sign an amendment extending the City's contract with Ocean Blue Environmental Services, Inc., a Long Beach-based company, to continue providing emergency and non-emergency hazardous waste removal services to comply with health and safety regulations.

Ocean Blue Environmental Services, Inc., provides 24-hour chemical, biohazard and sewage spill response to the City. Services include vacuum trucks, roll off trucks, flatbed and gear trucks service. In addition, they perform sewer cleaning and jetting services. They provide hazardous waste management for self-generated waste and other services for the following departments: Water, Gas & Oil, Parks, Recreation & Marine, Long Beach Airport, Police, Harbor and Health & Human Services.

In July 2009, the City Manager sent out a Cost Reduction Program letter requesting vendors to voluntarily participate in this annual program with the City as we face an economic recession. Ocean Blue Environmental Services, Inc., responded immediately accepting the reduction and participating in the program. More recently, Ocean Blue Environmental Services, Inc., has offered to extend the 5 percent reduction for the recommended extended period. Funding estimates for the requested contract are based on the previous contracts' historical expenditures, and funds are only utilized on an as-needed basis; there is no guarantee that all funds will be expended. The Purchasing

Division is diligently working with the appropriate Departments to develop concise and comprehensive bid specifications for a new contract in the near future. These revised bid specifications will result in a more consolidated contract. It is anticipated this service will be bid and awarded during the proposed extended term.

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

### SUSTAINABILITY

Use of hazardous waste disposal achieves a number of sustainable benefits:

- **Environmental benefits** – Relying on Ocean Blue Environmental Services, Inc., to remove hazardous waste from accidents in the City prevents hazardous waste from entering our storm drains, which can carry this hazardous waste to the rivers and the ocean. Proper removal of hazardous waste protects our local watershed and assures that the City remains in compliance with state law.
- **Economic benefits** – Maintaining emergency and non-emergency hazardous waste removal services abates any negative effects to our City's storm drain system, thus reducing or eliminating potential costs and/or penalties.

### TIMING CONSIDERATIONS

City Council action authorizing the City Manager to sign an amendment to extend Contract No. 29997 for nine months is requested on July 6, 2010 to ensure uninterrupted service.


### FISCAL IMPACT

The estimated cost of this contract extension is \$615,000 for nine months and is budgeted in various departments for a total contract amount of \$3,339,000. This amount is based on historical expenditures and reflects a decrease of \$78,000 annually in the amount awarded on the previous contract. The nine-month extension of this contract will provide continued support to our local economy by assisting in the preservation of 38 full-time employees residing in Long Beach with employment. By participating in the City's Contract Cost Reduction Program and extending the City's contract with Ocean Blue Environmental Services, Inc., it is estimated that the City will accrue up to \$30,000 annually in cost savings.

SUGGESTED ACTION:

Approve recommendation.

Respectfully Submitted,



LORI ANN FARRELL  
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

LAF:ES:PC  
K:\Exec\Council Letters\Purchasing\07-06-10 ccl - Ocean Blue - Amend Contract.doc

APPROVED:



PATRICK H. WEST  
CITY MANAGER