



CITY OF LONG BEACH

R-17

DEPARTMENT OF FINANCIAL MANAGEMENT

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June 1, 2010

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. PA-2610 to award a contract to Harbor Diesel and Equipment, a Long Beach-based business, in an annual amount not to exceed \$160,000 for furnishing and delivering Cummins brand vehicle parts and services, for the period of one year, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is being requested to enter into a contract for furnishing and delivering Cummins brand vehicle parts and services for the City's medium and heavy-duty vehicles using liquid natural gas and diesel powered Cummins engines.

The City currently utilizes a variety of medium and heavy-duty vehicles utilizing Cummins engines, including 85 refuse trucks, 4 fire apparatus, 20 street sweepers and 18 miscellaneous units. Keeping these high usage, front-line vehicles in service requires quick and efficient delivery of parts and service. The previous contracts for parts and service were separated into two contracts. Through contract consolidation, the Purchasing Division worked with the Fleet Services Bureau to develop a comprehensive bid that encompassed all Cummins parts and service needs. With this consolidation of parts and service specifications, we are able to streamline the process of service and parts delivery. Based on expenditures from prior years, the annual proposed contract is estimated to total \$160,000. These costs are funded by user charges to department customers.

The bid for furnishing and delivering Cummins brand vehicle parts and services was advertised in the Press Telegram on February 26, 2010, and 270 potential bidders specializing in Cummins parts and repair services were notified. Of those bidders, 16 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 <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. Two bids were received and a public bid opening occurred on March 17, 2010. Of those two bidders, none were Women-owned Business

Enterprises (WBEs), none were Minority-owned Business Enterprises (MBEs), none were certified Small Business Enterprises (SBEs) and one was a Long Beach business. Harbor Diesel and Equipment, of Long Beach, CA (local), was the lowest responsible bidder.

Local Business Outreach

Our outreach goal during the bid process is to encourage Long Beach businesses to take advantage of local preferences offered by the City and submit bids for City contracts. We assist businesses with registering on our Bids Online database to download the bid specifications. Of the Long Beach businesses registered for providing Cummins parts and repair services, there was one business able to provide services. They submitted a bid and are the lowest responsible bidder.

This matter was reviewed by Deputy City Attorney Amy R. Burton on May 4, 2010 and Budget Management Officer Victoria Bell on May 17, 2010.

TIMING CONSIDERATIONS

City Council action is requested on June 1, 2010, to adopt specifications and award contract concurrently to ensure contracts are in place and thereby avoiding the delay of repair or maintenance of the City's fleet.

FISCAL IMPACT

The cost of this contract in the amount of \$160,000 is budgeted in the Fleet Services Fund (IS 386) in the Department of Public Works (PW). The award of this contract will provide continued assistance to our local economy by preserving 12 full-time Long Beach residents with employment.

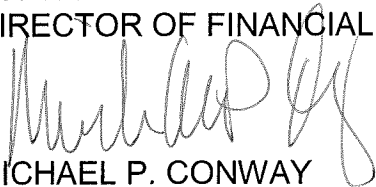
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

APPROVED:



PATRICK H. WEST
CITY MANAGER