

# C-17

October 3, 2023

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

## RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary to amend Contract No. 36535 with HERC Rentals, Inc., of Bonita Springs, FL, and Contract No. 36536 with United Rentals (North America), Inc., of Stamford, CT, for the rental of as-needed heavy-duty equipment, to increase the annual aggregate amount by \$862,500, and authorize a 15 percent contingency in the amount of \$256,875, for a revised total annual aggregate amount not to exceed \$1,969,375; and,

Increase appropriation in the Fleet Services Fund Group in the Financial Management Department by \$1,369,375, offset by funds available generated by revenue collected from user departments through the Fleet Memorandum of Understanding (MOU). (Citywide)

## DISCUSSION

City Council approval is requested to amend Contract No. 36535 with HERC Rentals, Inc., and Contract No. 36536 United Rentals (North America), Inc., to increase annual aggregate contract amount to \$1,969,375, to continue the rental of as-needed heavy-duty equipment for special and seasonal operations by City of Long Beach (City) departments.

The Fleet Services Bureau (Fleet) coordinates the rental of seasonal and special needs heavy-duty equipment for departments throughout the City. Rental equipment is needed to meet citywide operational needs when equipment is not assigned, when assigned units are out-of-service, or when awaiting delivery of permanent replacements. The existing contracts were awarded by the City Council in February 2023 for two years, with the option to renew for three additional years. The City is currently in the first year of the contracts. The original annual aggregate contract amount was \$850,000, plus a 15 percent contingency, for a total annual aggregate contract amount not to exceed \$977,500.

Since the execution of the contracts, the Public Works (PW) Department established two new Street Division teams and one new program, Project Right-of-Way (ROW), which require renting additional heavy-duty equipment, including large aerial bucket trucks, that are needed to assist with unique and special projects to repair City infrastructure and streets. While the number and type of vehicles needed varies, the current monthly rate

for renting the aerial trucks is \$5,500 per unit. PW has required two trucks every month, with a Fiscal Year (FY23) 2023 year-to-date (YTD) total spending of \$88,000. PW currently has an approved enhancement for additional vehicles needed to support the new program, and will be submitting enhancements under Measure A, Measure W, Stormwater, Long Beach Recovery Act (LBRA), and Caltrans to fund the purchase of new vehicles over the next three years.

Also, the Parks, Recreation and Marine (PRM) Department requires the rental of heavy-duty tractors and articulating dump trucks to assist with the removal of debris and sand displacement during the winter storm season. The current monthly rate for renting the articulating dump trucks is \$18,900 per unit. PRM has required two trucks every month to meet operational demands, with a FY23 YTD total spending of \$302,400 in heavy equipment rentals. An analysis was performed, and renting is more cost-effective than a purchase option. If the City were to purchase the trucks instead of renting, the City would be responsible for lifetime maintenance responsibilities of the trucks, which is handled by the rental company when the City rents instead.

The net effect of the increase in rentals necessitates an increase in purchasing authority above the amount originally authorized by the City Council to ensure all City departments have needed specialized equipment available to support critical operations. Fleet staff have analyzed expenditures for this current fiscal year, as well as ongoing and department-proposed projects, and anticipate the requested \$1,969,375 in annual spending authority will be sufficient for the remainder of the contract term to meet the City's as-needed heavy-duty equipment rental needs.

This matter was reviewed by Deputy City Attorney Taylor Anderson on September 20, 2023, Purchasing Agent Michelle Wilson on August 9, 2023, and by Revenue Management Officer Geraldine Alejo on August 16, 2023.

### SUSTAINABILITY

All heavy-duty equipment rented from contracted vendors must comply with the State of California emissions standards. Fleet staff carefully review the equipment available to ensure it will be in full compliance with State of California regulations. Rental of heavy-duty equipment for special and seasonal operations saves costs to departments in standard maintenance, repair, and parts charges.

### TIMING CONSIDERATIONS

City Council action to amend Contract Nos. 36535 and 36536 is requested on September 5, 2023, to ensure there is no interruption to services.

### FISCAL IMPACT

The requested amendment will increase the annual aggregate contract amount with HERC Rentals, Inc., and United Rentals (North America), Inc., by \$862,500 for a revised

total annual aggregate amount not to exceed \$1,969,375, including a 15 percent contingency of \$256,875. The total aggregate contract amount across all contracts for a five-year contract term will not exceed \$9,846,875. An appropriation increase of \$1,369,375 is requested in the Fleet Services Fund Group in the Financial Management Department to support costs during the first year, offset by funds available generated from revenue collected through the Fleet Memorandum of Understanding (MOU) from departments using the equipment. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with City Council priorities. This recommendation will provide continued support to our local economy by assisting in the preservation of employment for 21 full-time employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KEVIN RIPER  
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



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THOMAS B. MODICA  
CITY MANAGER