



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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February 21, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to increase Blanket Purchase Orders No. BPFM16000036 with Southern Counties Oil Company, of Orange, CA, and No. BPFM16000037 with Rosemead Oil Products, Inc., of Santa Fe Springs, CA, for furnishing and delivering petroleum products, by \$75,000, for a total aggregate amount not to exceed \$175,000, and extend the term of the purchase orders to June 30, 2017. (Citywide)

DISCUSSION

City Council approval is requested to authorize the City Manager to execute amendments to the interim Blanket Purchase Orders (BPOs) with Rosemead Oil Products and Southern Counties Oil to purchase petroleum products for use by various City departments.

On July 9, 2013, the City Council awarded a one-year contracts to Rosemead Oil Products and Southern Counties Oil with the option to renew for two additional one-year periods, for furnishing and delivering of petroleum products, in an annual combined amount not to exceed \$247,500, with an expiration date of July 14, 2016. Rosemead Oil Products and Southern Counties Oil are currently providing petroleum products under two interim BPOs for a total combined amount of \$100,000, for the term July 15, 2016 to March 31, 2017, issued pursuant to the City purchasing guidelines.

The proposed amendments will provide adequate time for the Purchasing Division to complete a formal procurement process. To ensure continuity of delivery of products until a new contract is in place, it is requested that the interim BPOs be extended until June 30, 2017, with an increase in additional purchasing authority in a combined amount of \$75,000, for a total aggregate amount not to exceed \$175,000. Petroleum products such as motor oil, lubricants, grease and gear oil are used in vehicles and equipment throughout the City, including vehicles maintained by the Water and Harbor Departments.

The Fleet Services Bureau anticipates the new contract award being presented to the City Council in April 2017.

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This matter was reviewed by Deputy City Attorney Monica J. Kilaita on January 31, 2017 and by Assistant Finance Director Lea Eriksen on February 2, 2017.

SUSTAINABILITY

Use of standard and synthetic motor oils is based on the manufacturer's recommendations to prolong the useful life of City assets and ensure optimal operating conditions. Re-refined oils help to reduce the City's carbon footprint and will be purchased whenever available.

TIMING CONSIDERATIONS

City Council action is requested on February 21, 2017, to allow for payment of current invoices and expenditures through June 30, 2017.

FISCAL IMPACT

The total aggregate amount of the BPOs will not exceed \$175,000. Sufficient funds are currently budgeted in Fleet Services Fund (IS 386) in the Financial Management Department (FM), the Water Fund (EF 310) in the Water Department (WA), and the Harbor Fund (HR 430) in the Harbor Department (HA). There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:DB:PM
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APPROVED:



PATRICK H. WEST
CITY MANAGER