

CITY OF LONG BEACH

R-22

DEPARTMENT OF FINANCIAL MANAGEMENT

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

October 21, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution authorizing the City Manager to execute a contract with Haaker Equipment Company for the purchase of one liquefied natural gas (LNG) powered Pot Hole Patch Truck, on the same terms and conditions afforded to the County of San Bernardino, in an amount not to exceed \$243,150 including tax, with a 10 percent contingency for additional equipment if necessary and if funds are available. The City will have the option of purchasing one additional unit at the contract price, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is being requested to enter into a contract for the purchase of one Pot Hole Patch Truck. In an effort to continue improving the condition of City streets, there is a need for a fifth Pot Hole Patch Truck to provide a back-up for pot hole trucks requiring service and to maintain the City Council's goal of filling potholes within 15 business days from a request for service.

The City Charter provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis when authorized by a Resolution of the City Council.

The Department of Public Works, Fleet Services Bureau, investigated procurement options and learned that the County of San Bernardino had completed a competitive bid process for a Pot Hole Patch Truck and has purchase order No. G1929 with Haaker Equipment Company that meets the City's needs. This cooperative purchase agreement will facilitate the timely acquisition of the Pot Hole Patch Truck and provide cost benefits to the City.

Haaker Equipment Company has agreed to sell one Pot Hole Patch Truck on the same terms and conditions afforded to the County of San Bernardino, in an amount not to exceed \$243,150 including tax, with a 10 percent contingency for additional equipment. The Matrix Fleet Review Study also supports the use of cooperative purchase agreements and adherence to a long-term replacement plan.

This matter was reviewed by Deputy City Attorney Amy R. Burton on September 23, 2008 and Budget Management Officer Victoria Bell on September 25, 2008.

SUSTAINABILITY

With the addition of LNG (Liquefied Natural Gas) fuel to the City of Long Beach's supply chain, we have achieved a number of sustainable benefits:

- **Environmental benefits**—use of LNG results in a 23% reduction in nitrogen oxides emissions, 20-40% reduction in carbon monoxide and 80%-90% reduction in particulate matter emissions compared to petroleum diesel.
- **Energy security benefits**—utilization of domestic supplies of alternative fuels reduces Long Beach's dependence on foreign oil and provides immediate environmental benefits as the City continues to implement alternative fuel options into our fleet.
- **Economic benefits**—the cooperative purchasing agreement will provide several cost benefits to the City by securing pricing at a previous bid to another agency. In addition, LNG fuel costs \$1.202 per gallon as compared to a cost of \$3.538 per gallon for diesel fuel.
- **Quality benefits**—LNG is registered as an approved alternative to diesel fuel and meets clean fuel standards established by the California Air Resources Board (CARB). Both, CARB and the South Coast Air Quality Management District (AQMD) have officially approved its use.

TIMING CONSIDERATIONS

City Council action is requested on October 21, 2008, to ensure that the Pot Hole Patch Truck is placed into service in 2009.

FISCAL IMPACT

The purchase price of the Pot Hole Patch Truck is \$243,150 including tax, and is included in the Fleet Services Fund (IS 386) in the Department of Public Works (PW). Funds will be made available by downsizing Public Works older vehicle/equipment fleet and utilizing vehicle replacement funds accumulated through Fiscal Year 2008. The City will have the option of adding expenditures up to 10 percent (or \$24,315) above the contract amount if necessary and if funds are available and purchasing one additional unit at the contract price, at the discretion of the City Manager.

HONORABLE MAYOR AND CITY COUNCIL
October 21, 2008
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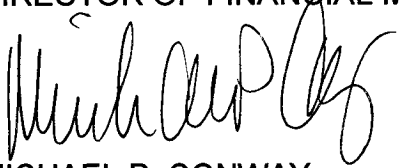
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

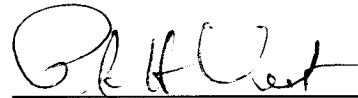


MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

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ATTACHMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 RESOLUTION NO.
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH AUTHORIZING THE CITY
5 MANAGER TO PURCHASE ONE (1) POT HOLE PATCH
6 TRUCK WITH THE OPTION TO PURCHASE A SECOND
7 POT HOLE PATCH TRUCK THROUGH THE PURCHASE
8 ORDER BETWEEN THE COUNTY OF SAN BERNARDINO
9 AND HAAKER EQUIPMENT COMPANY
10

11 WHEREAS, the Charter of the City of Long Beach (the "City"), Section
12 1802, permits the City to purchase services, supplies, materials, equipment and labor
13 with other government agencies by purchasing under their contracts on a voluntary and
14 selective basis when authorized by resolution; and

15 WHEREAS, the City desires to purchase one (1) pot hole patch truck and
16 may desire to purchase a second pot hole patch truck; and

17 WHEREAS, the County of San Bernardino has a Purchase Order for the
18 purchase of this pot hole patch truck from Haaker Equipment Company, Purchase Order
19 Number G1929 ("San Bernardino PO"); and

20 WHEREAS, the City's participation in the San Bernardino PO will facilitate
21 acquisition of this pot hole patch truck as well as provide considerable cost benefits to the
22 City; and

23 WHEREAS, if the City had to go to formal bid rather than participate in the
24 San Bernardino PO considerably more funds would be required;

25 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
26 follows:

27 1. The above recitals are true and correct and are incorporated herein
28 by this reference.

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2. The City Manager of the City is hereby authorized to enter an agreement with Haaker Equipment Company to purchase one (1) pot hole patch truck with the option to purchase a second pot hole patch truck of substantially the same type and kind purchased by the County of San Bernardino pursuant to the San Bernardino PO except as modified by mutual agreement of the City and Haaker Equipment Company, and the purchase by the City shall be on the same terms and conditions afforded to the County of San Bernardino in an amount not to exceed \$243,148.99, including tax, with a 10% contingency for additional equipment if necessary and if funds are available, for a period extending until the warranty on the pot hole patch truck expires.

3. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 20__ by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk