



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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December 9, 2014

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to increase Blanket Purchase Order Agreement No. BPLB12000045 with Allied Refrigeration, Inc., of Signal Hill, CA, for the repair and maintenance of City Heating, Ventilation and Air Conditioning (HVAC) systems, by \$200,000, for a total contract amount not to exceed \$490,000. (Citywide)

DISCUSSION

City Council approval is requested to increase the existing agreement with Allied Refrigeration, Inc., by \$200,000, in order to repair and maintain City Heating, Ventilation and Air Conditioning (HVAC) systems for the final year of the agreement. This Citywide Blanket Purchase Order (BPO) is utilized by various departments, including Disaster Management and Emergency Preparedness, Fire, Long Beach Gas and Oil, Harbor, Public Works, and Water, for the purchase of HVAC parts and supplies such as fuses, couplings, hoses, belts and other items for the maintenance and repair of the HVAC units throughout the City. Historically, spending has averaged \$90,000 per year; however, due to aging equipment, summer maintenance, backlog of pending repairs, and the unpredictability of breakdowns, total BPO expenditures have exceeded anticipated needs. As such, additional purchasing authority is required for the remainder of the term expiring on July 15, 2015.

A formal procurement process was completed in 2012, and Allied Refrigeration, Inc., of Signal Hill, CA (not an MBE/WBE/SBE/Local), was the lowest responsible bidder. A BPO was issued in July 2012 pursuant to City purchasing guidelines. The City will conduct a new procurement to replace this agreement prior to its expiration in July 2015.

This matter was reviewed by Deputy City Attorney Amy R. Webber on November 17, 2014 and by Budget Management Officer Victoria Bell on November 20, 2014.

TIMING CONSIDERATIONS

City Council action is requested on December 9, 2014 to ensure that repairs to the HVAC systems in City facilities are not further delayed.

FISCAL IMPACT

Sufficient funds to support the contract increase of \$200,000 are budgeted in various funds and departments. Approval of this BPO increase will provide continued support to our local economy by assisting in the preservation of 12 full-time and three part-time employees residing in Long Beach.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:AM:LB
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APPROVED:



PATRICK H. WEST
CITY MANAGER