



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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November 14, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. ITB FS18-019 and award contracts to HERC Rentals, Inc., of Carson, CA; Sunbelt Rentals, of Fort Mill, SC; and, United Rentals (North America), of Long Beach, CA, for the as-needed rental of heavy-duty equipment, in an annual aggregate amount not to exceed \$450,000, for a period of two years, with the option to renew for three additional one-year periods; authorize a 15 percent contingency in the amount of \$67,500, for a total annual aggregate amount not to exceed \$517,500; authorize the City Manager, or designee, to execute all documents necessary to enter into contracts, including any necessary amendments; and,

Increase appropriations in the Fleet Fund (IS 386) in the Financial Management Department (FM) by \$168,000, offset by charges billed to user departments through the regular monthly Fleet MOU billing process. (Citywide)

DISCUSSION

City Council approval is requested to enter into contracts with HERC Rentals, Inc., Sunbelt Rentals, and United Rentals (North America), for the as-needed rental of heavy duty equipment for special and seasonal operations by City departments, including the Water and Harbor Departments.

The Fleet Services Bureau coordinates the rental of seasonal and special needs heavy-duty equipment for departments throughout the City. Staff ensures the equipment is sufficient for the operations scheduled, the vendor is compliant with all California regulations regarding the operation of heavy-duty equipment, and the equipment is safe for City employees.

The bid was advertised in the Long Beach Press-Telegram on September 12, 2017, and 5,916 potential bidders specializing automotive products and services were notified of the bid opportunity. Of those bidders, 23 downloaded the bid via the City's 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 www.longbeach.gov/purchasing. A bid announcement was also included in the Purchasing Division's weekly update of Open

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Bid Opportunities, which is sent to 22 local, minority, and women-owned business groups. Five bids were received on October 3, 2017. Of those bidders, one was a Minority-Owned Business Enterprise (MBE), one was a Women-Owned Business Enterprise (WBE), none were certified Small Business Enterprises (SBEs), and one was a Long Beach business (Local). HERC Rentals, Inc. (Local, not a MBE, WBE, or SBE), Sunbelt Rentals, Inc. (not a MBE, WBE, SBE, or Local), and United Rentals (North America), (not a MBE, WBE, SBE, or Local) were the lowest responsible bidders.

Local Business Outreach

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download the bid specifications. Through outreach, 622 Long Beach vendors were notified to submit bids, of which five downloaded and one submitted a bid. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Monica J. Kilaita on October 26, 2017 and by Budget Operations Administrator Grace Yoon on October 24, 2017.

SUSTAINABILITY

All heavy duty equipment 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 is requested on November 14, 2017, to ensure new contracts are in place expeditiously.

FISCAL IMPACT

The aggregate amount of the new contracts will not exceed \$450,000 annually, with a 15 percent contingency of \$67,500, for a total aggregate contract amount not to exceed \$517,500 per year. Of this amount, \$50,000 is budgeted in the Water Fund (EF 310) in the Water Department (WA), and \$100,000 in the Harbor Fund (HR 430) in the Harbor Department (HA). An appropriation increase of \$168,000 in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) is necessary. Rental costs in the Fleet Services Fund are reimbursed through the monthly billing process to multiple funds and departments. Award of these contracts will provide continued support to our local economy by assisting in the preservation of employment for 59 full-time employees residing in Long Beach.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:DB:EW:PM
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APPROVED:


PATRICK H. WEST
CITY MANAGER