



# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

# R-22

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June 14, 2016

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt Specifications No. RFP FS16-014 and award a contract to AssetWorks, LLC, of Wayne, PA, for the acquisition and software implementation of FuelFocus, a new fuel management system, in the amount of \$938,624, authorize a 10 percent contingency in the amount of \$93,862, for a total contract amount not to exceed \$1,032,486 for the first year, thereafter, a maintenance fee not to exceed \$22,825 for year one and \$23,966 for year two, with the option to renew for two additional one-year periods for the ongoing maintenance, at the discretion of the City Manager; and, authorize the City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary amendments thereto; and,

Increase appropriations in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$409,900. (Citywide)

## DISCUSSION

City Council approval is requested to enter into a contract with AssetWorks, LLC, to acquire the software, hardware, training services, permits, licenses, installation and maintenance services for the new citywide fuel management system.

The existing fuel management system is more than 15 years old and has an increasing failure rate. Software upgrades are no longer available and the system's hardware is experiencing frequent communication errors as it was designed to communicate through an antiquated dial-up system. It is also difficult to interface with newer wireless technology, eliminating the option of upgrades.

Although the current system has served the City well, technological advances in fuel management provide the City an opportunity to acquire a system that utilizes cutting edge technologies, such as Radio Frequency Identification (RFID). RFID allows transmittal of vehicle data to the fuel control terminal and subsequent transfer to the

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City's Fleet asset management system. This is accomplished through an electronic "handshake" between each vehicle's RFID fuel management device and the fuel control terminal as the vehicle approaches the terminal. Fueling is authorized by the system, including identification of the vehicle, fuel type and quantity, and identification of the driver through use of their employee badge. The data exchange and electronic fuel authorization process increase accuracy, strengthen fuel controls, and enhance efficiency, reducing the amount of time required for employees to refuel.

The system's technology enables the fuel control terminal to identify and verify each vehicle as it comes within 200 feet of the terminal. The driver swipes their employee badge for verification and the terminal pump is ready for fueling. This is in contrast to the existing system, where employees must manually key in the vehicle odometer reading and their employee ID number in order to authorize fueling, of which both tasks are prone to human error and frequently require the involvement of Fleet staff to resolve.

The FuelFocus fuel management system provides strict controls, accurate accounting and billing functionality, and a full suite of passive telematics to assist with the City's fleet management. A further advantage is that it interfaces seamlessly with the existing M5 asset management and billing system, eliminating manual cross-checks and data transfers between the systems. FuelFocus is able to measure vehicle usage and performance, which will assist in efficient use and management of the City's vehicle fleet. The system has the ability to download vehicle malfunction information, which enables rapid diagnostics to help ensure City vehicles are operating at optimal efficiency. These efficiencies can translate into significant savings in fuel consumption and reduced carbon emissions for the fleet.

A Request for Proposals (RFP) was advertised in the Long Beach Press-Telegram on November 18, 2015, and 5,438 potential vendors specializing in technology hardware/software, fuel, and technical services were notified of the RFP opportunity. Of those proposers, 33 downloaded the proposal via the City's electronic bid system. The RFP document was also made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at [www.longbeach.gov/purchasing](http://www.longbeach.gov/purchasing). An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 22 local, minority and women-owned business groups. Five proposals were received on January 15, 2016. Of those five proposals, none were Minority-owned Business Enterprises (MBEs), none were Women-owned Business Enterprises (WBEs), one was a certified Small Business Enterprise (SBE), and none were Long Beach businesses (Locals).

A seven-member selection committee, comprised of staff from the Financial Management, Technology and Innovation, Harbor and Water Departments, evaluated the five proposals on the criteria set forth in the RFP. The selection committee determined AssetWorks, LLC, of Wayne, PA (not an MBE, WBE, SBE or Local), as the most qualified firm to provide services based on demonstrated competence in the

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industry, existing clientele with similar requirements and size of agency, long-term costs, and the ability to seamlessly merge their proposed system with the City's existing fleet management system to meet the needs of today and the future.

**Local Business Outreach**

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download the RFP specifications. Through outreach, 532 Long Beach vendors were notified to submit proposals, of which one downloaded, and none submitted a proposal. 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 May 26, 2016 and by Assistant Finance Director Lea Eriksen on May 24, 2016.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. RFP FS16-014 is requested on June 14, 2016, to ensure that the funds are appropriated, the contract is in place in a timely manner, and that sufficient lead time is allocated to procure the equipment for the system installation.

FISCAL IMPACT

Contract expenditures for the first year will not exceed \$1,055,311, including the recommended 10 percent contingency of \$93,862 and first year maintenance cost. In addition, the annual cost for year two is approximately \$23,966 for ongoing maintenance services. The total cost over two years is approximately \$1,079,277 and includes hardware, software, training services, permits, licenses, and system installation and maintenance.

The following contract funding sources are appropriated and consist of \$515,791 in AB 2766 funding in the Transportation Fund (SR 182) in the Public Works Department (PW), intended for Fleet projects, and \$153,587 currently budgeted in the Fleet Services Fund (IS 386) in the Financial Management Department (FM). In addition, the United States Treasury Department natural gas fuel rebates in the amount of \$409,900 has been received in the Fleet Services Fund (IS 386) and will be applied to the project. An appropriation increase of \$409,900 is necessary to cover the entire project expense. There is no local job impact associated with this recommendation.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

JG:DB:DH  
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APPROVED:

  
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PATRICK H. WEST  
CITY MANAGER