

**CITY OF LONG BEACH**

DEPARTMENT OF FINANCIAL MANAGEMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

April 5, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution authorizing the City Manager to execute contracts with the General Services Administration (GSA), Victor Buick GMC, Coalinga Motors, Elk Grove Auto Group, Inc., Hoblit Motors, Hoblit Haynes Dodge, H. W. Hunter, and Downtown Ford Sales, to purchase trucks, cabs and chassis pursuant to the GSA contract number 1-05-23-20, in an amount not to exceed \$575,174 for the current fiscal year. (Citywide)

DISCUSSION

City Council approval is being requested to enter into contracts for the purchase of approximately 34 trucks, cabs and chassis that are needed to replace vehicles that are at the end of their useful life and deemed critical to the operations of the City.

The City Charter provides an alternative procurement method by permitting the City to purchase or obtain services, supplies, materials, equipment, and labor with other government agencies by purchasing under their contracts on a voluntary and selective basis when authorized by a Resolution of the City Council. The Fleet Services Bureau investigated various procurement options and, with the collaboration of the Purchasing Division, is recommending a purchase under the General Services Administration (GSA) Schedules Program. GSA enters into contracts with commercial firms to provide supplies and services at stated prices for given periods of time. Orders are placed directly with the schedule contractor and deliveries are made directly to the customer.

GSA has already negotiated fair and reasonable pricing, and it is the agency's responsibility to determine that an offer is the "best value." Orders placed against GSA schedules meet the requirements for full and open competition in accordance with Federal Acquisition Regulation 8.4. The recommended trucks, cabs, and chassis are on a close-out schedule maintained by GSA.

As recommended by the Fleet Study, the Fleet Services Bureau is recommending the purchase of these vehicles on a Cooperative Equipment Purchase to save money and time. The State of California charges a 2.56 percent service charge for the use of this contract on the purchase price only; this is billed separately from the purchase order for

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a total amount of \$14,460.36. The City will save approximately \$17,000, if the vehicles are paid within 20 days of delivery, per contract number 1-05-23-20 under a cash discount of \$500 per unit.

This matter was reviewed by Senior Deputy City Attorney Donna F. Gwin on March 29, 2005, and Budget Management Officer David Wodynski on March 23, 2005.

TIMING CONSIDERATIONS

City Council action to adopt the attached Resolution and award the contract concurrently is requested on April 5, 2005 to ensure that vehicles are purchased by April 6, 2005 to guarantee substantial savings to the City.

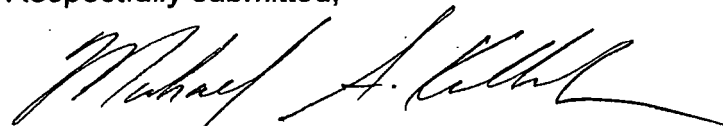
FISCAL IMPACT

The cost of the contracts, in the not-to-exceed amount of \$575,174 for the current fiscal year, is budgeted in the Fleet Services Fund (IS 386) in the Department of Public Works (PW).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT



CHRISTINE F. ANDERSEN
DIRECTOR OF PUBLIC WORKS

APPROVED:



GERALD R. MILLER
CITY MANAGER