



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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March 19, 2019

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. ITB FS19-004 and award contracts to Landi-Renzo USA Corporation, of Torrance, CA, and Almared, Inc., dba A-1 Alternative Fuel Systems, of Fresno, CA, for the installation of compressed natural gas (CNG) fuel systems on City vehicles, in the amount of \$1,100,000 for the first year of the contract and \$550,000 for the second year of the contract, for a total aggregate contract amount not exceed \$1,650,000, for a period of two years, with the option to renew for three additional one-year periods, in an amount not to exceed \$550,000 annually; and, authorize the City Manager, or designee, to execute all documents necessary to enter into the contracts, including any necessary amendments. (Citywide)

DISCUSSION

City Council approval is requested to enter into contracts with Landi-Renzo USA Corporation and Almared, Inc., dba A-1 Alternative Fuel Systems, for the installation of CNG fuel systems for light-, medium-, and heavy-duty vehicles in the City's fleet. These costs are partially offset by the Fleet Services Bureau's FY 15 to FY 17 AB 2766 allocation and grant funding from the Mobile Source Pollution Prevention and Review Committee (MSRC) for the purchase of CNG-fueled vehicles.

On November 17, 2015, the City Council authorized the City Manager to execute and receive MSRC grant funding, which is part of the Local Government Matching Program from 2015 that matches both AB 2766 project allocations and funds provided by municipalities for projects that promote cleaner air within the South Coast Air Quality Management District (SCAQMD) through the use of alternative fuels. A portion of the MSRC funds awarded is to offset the cost of purchasing alternative fuel vehicles. The AB 2766 Motor Vehicle Subvention Program, adopted by the State of California in 1990, provides funding from the Department of Motor Vehicles annual vehicle registration fee surcharges to fund the implementation of programs to reduce air pollution from motor vehicles.

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There are currently 32 vehicles in operation and 58 vehicles on order that are scheduled to have their existing fuel systems converted from petroleum fuel usage to CNG. It is estimated that 40 additional vehicles to be purchased over the next five years will have their existing fuel systems converted to CNG. CNG fuel is a better alternative for vehicle and equipment power due to its lower cost, local availability, and air quality benefits.

The bid was advertised in the Long Beach Press-Telegram on December 14, 2018, and 717 potential bidders specializing in automotive parts and fuel system replacement services were notified of the bid opportunity. Of those bidders, 12 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 Bid Opportunities, which is sent to 28 local, minority, and women-owned business groups. Two bids were received on January 18, 2019. Of those bidders, none were Minority-owned Business Enterprises (MBEs), Small Business Enterprises (SBEs), Long Beach businesses (Local), or Women-owned Business Enterprises (WBEs). Landi-Renzo USA Corporation, of Torrance, CA, and Almared, Inc., dba A-1 Alternative Fuel Systems, of Fresno, CA (not SBE, MBE, WBE, or Local), were the most responsive and 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, 116 Long Beach vendors were notified to submit bids, of which two downloaded and none 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 Taylor M. Anderson on February 4, 2019, by Purchasing and Business Services Manager Sandy Tsang-Palmer on February 8, 2019, and by Budget Management Officer Rhutu Amin Gharib on February 19, 2019.

SUSTAINABILITY

CNG is a cost-effective, environmentally friendly fuel that greatly reduces greenhouse gas and particulate emissions.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. ITB FS19-004 and award contracts concurrently is requested on March 19, 2019, to ensure the contracts are in place expeditiously.

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FISCAL IMPACT

The contract amount will not exceed \$1,100,000 in the first year, and the second year of the contract will not exceed \$550,000. The total contract amount will not exceed \$1,650,000 over the two-year term. The cost of the contract is budgeted in the amount of \$500,000 in the Fleet Services Fund (IS 386) and \$600,000 in the Transportation Fund (SR 182) in the Financial Management Department (FM). Of the \$500,000, the matching funds from MSRC are \$300,000 and the remaining \$200,000 will be collected through charges to user departments through the monthly Fleet Memorandum of Understanding (MOU) billing process and the remaining \$600,000 is from AB 2766 funding. Costs for the vehicle replacements and future fuel system conversions not covered by grant funds will be collected through the regular Fleet MOU billing process. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:DB:JS:PM
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APPROVED:



PATRICK H. WEST
CITY MANAGER