



# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

**C-12**

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July 9, 2013

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt Specifications No. PA-00713 and award contracts to Southern Counties Oil Company, of Long Beach, CA (Local; not an MBE, WBE or SBE), and Rosemead Oil Products, Inc., of Santa Fe Springs, CA (not an MBE, WBE, SBE or Local), for furnishing and delivering petroleum products, in an annual combined amount not to exceed \$247,500, for a period of one year, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

## DISCUSSION

City Council approval is requested to enter into annual contracts with Southern Counties Oil Company and Rosemead Oil Products, Inc., to furnish and deliver petroleum products, such as motor oil and power steering and transmission fluids to support the Departments of Harbor, Water, Public Works, and Financial Management, Fleet Services Bureau's vehicle maintenance program.

The bid was advertised in the Press-Telegram on January 24, 2013, and 130 potential bidders specializing in petroleum products were notified of the bid opportunity. Of those bidders, 25 downloaded the bid via our 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](http://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 30 local, minority and women-owned business groups. Eight bids were received on February 14, 2013. Of those eight bidders, one was a Minority-owned Business Enterprise (MBE), none were Women-owned Business Enterprises (WBEs), two were certified Small Business Enterprises (SBEs), and two were Long Beach businesses (Local). Southern Counties Oil Company, of Long Beach, CA (Local; not an MBE, WBE or SBE), and Rosemead Oil Products, Inc., of Santa Fe Springs, CA (not an MBE, WBE, SBE or Local), were the lowest responsible bidders.

## **Local Business Outreach**

In an effort to align with our outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download bid specifications. Through outreach, 24 Long Beach vendors were notified to submit bids, of which five downloaded and two 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 Amy R. Webber on June 13, 2013 and Budget Management Officer Victoria Bell on June 18, 2013.

SUSTAINABILITY

With the addition of re-refined and synthetic oil to the City's supply chain, we have achieved a number of sustainable benefits:

- **Environmental benefits**—The use of re-refined oils and lubricants reduce virgin oil production and refinement. Preserving petroleum resources and reducing the amount of used oil will reduce air pollution.
- **Energy security benefits**—The utilization of refined oils and lubricants reduces demand for foreign oils and lubricants.
- **Economic benefits**—The use of re-refined oils is less expensive in general. Re-refinement of oil is done domestically.
- **Quality benefits**—Re-refined oils and synthetic oils and lubricants are like-quality to virgin products and last longer with increased viscosity.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-00713 and award contracts concurrently is requested on July 9, 2013 to ensure that the contracts are in place expeditiously.

FISCAL IMPACT

The combined not to exceed annual cost of these contracts is \$247,500. Of that amount, \$209,000 is budgeted in the Fleet Services Fund (IS 386) in the Department of Financial Management (FM); \$27,500 in the Water Fund (EF 310) in the Water Department (WA); and, \$11,000 in the Harbor Fund (HR 430) in the Harbor Department (HA). The award of these contracts will provide continued support to our local economy by assisting in the preservation of 17 full-time employees residing in Long Beach with employment.

SUGGESTED ACTION:

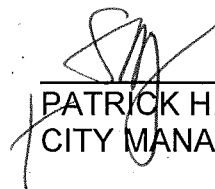
Approve recommendation.

Respectfully submitted,



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



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PATRICK H. WEST  
CITY MANAGER