

February 21, 2023

C-6

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. ITB FS22-163 and award contracts to HERC Rentals, Inc., of Bonita Springs, FL, and United Rentals (North America), Inc., of Stamford, CT, for the rental of heavy-duty equipment, in an annual aggregate amount of \$850,000, with a 15 percent annual contingency amount of \$127,500, for a total annual aggregate amount not to exceed \$977,500, for a period of two years, with the option to renew for three additional one-year periods, at the discretion of the City Manager; and, authorize the City Manager, or designee, to execute all documents necessary to enter into the contracts, including any necessary subsequent amendments; and,

Increase appropriation in the Fleet Services Fund Group in the Financial Management Department by \$250,000, offset by funds available generated by revenue collected from user departments through the Fleet Memorandum of Understanding (MOU). (Citywide)

DISCUSSION

City Council approval is requested to enter into contracts with HERC Rentals, Inc., and United Rentals (North America), Inc., for the as-needed rental of heavy-duty equipment for special and seasonal operations by City of Long Beach (City) departments. Awards to multiple vendors ensures needed specialized equipment will be available at all times to support the City's critical operations.

The Fleet Services Bureau coordinates the rental of seasonal and special needs heavy-duty equipment for departments throughout the City. Examples of use include the Parks, Recreation and Marine Department's rental of heavy-duty tractors and articulating dump trucks to assist with the removal of debris and sand displacement during the winter storm season. The Public Works Department also rents large aerial bucket trucks to assist with unique and special projects. Rental equipment is needed to meet citywide operational needs when equipment is not assigned, when assigned units are out-of-service, or when awaiting delivery of permanent replacements. Fleet staff ensures the equipment is sufficient for the operations scheduled, that the vendor is compliant with all California regulations regarding the operation of heavy-duty equipment, and the equipment is safe for City employees.

The previous contracts were authorized by the City Council in November 2017 for an aggregate amount of \$517,500. In August 2018, the City Council authorized the increase

of the annual aggregate amounts not to exceed \$977,500. The amount requested with this action mirrors the previous contract amount.

The bid was advertised in the Long Beach Press-Telegram on September 27, 2022, and 13 potential bidders specializing in automotive parts were notified of the bid opportunity. Of those bidders, three downloaded the bid via the City's electronic bid system. The bid document was made available from the Purchasing Division, located on the sixth 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 42 local, minority-owned, and women-owned business groups. There were three bids received on December 18, 2022. Of those three bidders, none were Minority-owned Business Enterprises (MBEs), none were Women-owned Business Enterprises (WBEs), none were certified Small Business Enterprises (SBEs), and none were Long Beach vendors (Local). HERC Rentals, Inc. (not local, MBE, WBE, or SBE), and United Rentals (North America), Inc. (not local, MBE, WBE, SBE), were the lowest responsible bidders.

HERC Rentals, Inc., of Bonita Springs, FL is a full-service rental company that has a location in Carson, California offering local distribution for a broad range of heavy-duty equipment rentals for easy accessibility meeting the City's operational needs. United Rentals (North America), Inc., of Stamford, CT, is also a large equipment rental company that has a location in Long Beach, California. The company employs 21 current full-time employees who reside in Long Beach, helping sustain our local economy. Awarding contracts to numerous vendors with nearby locations ensures the availability of crucial equipment for essential City operations.

Local Business Outreach

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 Long Beach Buys database to download bid specifications. Through outreach, 3 Long Beach vendors were notified to submit bids, of which 1 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 Anita Lakhani on February 3, 2023, Purchasing Agent Michelle Wilson on January 23, 2023, and by Revenue Management Officer Geraldine Alejo on January 30, 2023.

SUSTAINABILITY

All heavy-duty equipment rented from contracted vendors must comply with the State of California emissions standards. Staff from Fleet Services carefully reviews the equipment available to ensure it 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 February 21, 2023, to ensure new contracts are in place expeditiously.

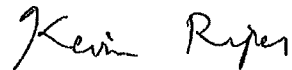
FISCAL IMPACT

The total annual aggregate amount of the contracts will not exceed \$977,500, including a 15 percent contingency. An appropriation increase of \$250,000 is requested in the Fleet Services Fund Group in the Financial Management Department to support costs during the first year, offset by funds generated from revenue collected from departments using the equipment, through the Fleet Memorandum of Understanding (MOU). This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with City Council priorities. This recommendation will provide continued support to our local economy by assisting in the preservation of employment for 21 full-time employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KEVIN RIPER
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER