



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-19

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February 21, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. ITB FS16-126 and award contracts to Cabe Toyota, of Long Beach, CA; Caruso Ford, of Long Beach, CA; FFBH Motors, LLC, dba Frontier Ford, of Santa Clara, CA; Courtesy Chevrolet Center, of San Diego, CA; and Bob Wondries Motors, dba Wondries Fleet Group, of Alhambra, CA, for the purchase and delivery of light and medium duty vehicles, in an annual aggregate amount not to exceed \$7,500,000, for a period of two years, 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 award contracts to five vendors for the purchase and delivery of light and medium duty vehicles at fixed pricing, for an annual aggregate amount not to exceed \$7,500,000, in accordance with the approved vehicle replacement plans. It is projected that the annual aggregate amount will be sufficient to cover the acquisition costs for light trucks, hybrid and compressed natural gas (CNG) fueled sedans, utility vehicles, police patrol vehicles, and other units as defined in the bid specification. These contracts will significantly reduce the time and expense for Fleet and Purchasing staff to secure needed vehicle replacements.

The fleet vehicle and equipment replacement program is based upon an economic life cycle analysis, usage, and the overall condition of the unit. During the budget process, the Fleet Services Bureau submits a list of units that need to be replaced in the coming fiscal year to the City Manager. There is an average of 200 units that need to be replaced annually. The Fleet Services Bureau works with customer departments to standardize light and medium duty service vehicles, sedans and utility vehicles in order to minimize replacement cost. Wherever available and economically feasible, "green" technology vehicles such as hybrid, electric, or CNG are procured. This multi-year contract maximizes the City's buying power by aggregating smaller purchases into a longer-term, larger quantity contract. Multi-year vehicle purchase contracts for different makes and models of standardized units will enable replacements to be secured

quickly at sustained competitive bid pricing. Bid specifications will be created separately for specialty vehicles or equipment that serve specific functions for the community.

The bid was advertised in the Long Beach Press-Telegram on August 27, 2016, and 1,258 potential bidders specializing in vehicle sales were notified of the bid opportunity. Of those bidders, 33 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 22 local, minority, and women-owned business groups. Six bids were received on November 10, 2016. Of those bidders, one was a Minority-Owned Business Enterprise (MBE), none were Women-Owned Business Enterprises (WBEs), one was a certified Small Business Enterprise (SBE), and two were Long Beach businesses (Local). Cabe Toyota and Caruso Ford, of Long Beach, CA (Local; not a MBE, WBE, or SBE), Frontier Ford, of Santa Clara, CA (not a MBE, WBE, SBE, or Local), Courtesy Chevrolet Center, of San Diego, CA (not an MBE, WBE, SBE, or Local), and, Wondries Fleet Group, of Alhambra, CA (MBE; not a WBE, DBE, SBE, or Local) were the lowest 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, 176 Long Beach vendors were notified to submit bids, of which three downloaded and two submitted bids. 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 January 23, 2017 and by Budget Operations Administrator Grace Yoon on January 19, 2017.

SUSTAINABILITY

The new vehicles will be in full compliance with the California Air Resources Board and local air district air quality regulations. Additionally, when CNG-fueled, electric or hybrid units are purchased, greenhouse gas emissions and fuel costs are significantly reduced.

TIMING CONSIDERATIONS

City Council action on this matter is requested on February 21, 2017, to ensure that contracts are in place expeditiously.

FISCAL IMPACT

The annual contract amount will not exceed \$7,500,000 and is budgeted in the Fleet Services Fund (IS 386) in the Financial Management Department (FM). Purchase costs have been collected through regular monthly capital replacement charges to multiple funds and departments. Award of these contracts will provide continued support to our local economy by assisting in the preservation of employment for 162 full-time employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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APPROVED:


PATRICK H. WEST
CITY MANAGER