

C-7

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard, 6th Floor • Long Beach, CA 90802 • (562) 570-5400 • Fax (562) 570-5414

December 16, 2014

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager to execute all documents necessary to enter into a contract with The Bolder Group, Inc., of Long Beach, CA, for furnishing and delivering marine fuel, in an annual amount of \$150,000, and an additional 10 percent contingency in the amount of \$15,000, for a total annual amount not to exceed \$165,000, for a period of one year, with the option to renew for three additional one-year periods, at the discretion of the City Manager;

Amend purchase order No. BPPW1200060 with The Bolder Group, Inc., by adding \$14,000 for a total amount not to exceed \$303,000. (Citywide)

DISCUSSION

City Council approval is requested to enter into an annual contract with The Bolder Group, Inc., (Bolder) for the purchase of marine fuel and related supplies.

The City purchases fuel from two vendors in a combined annual amount of approximately \$134,000 to fuel vessels operated by the Police, Fire and Parks, Recreation and Marine Departments in support of Port Security, Marine Safety, and marine maintenance operations in the Alamitos Bay, Marine Stadium, Shoreline Marina, and along the Long Beach waterfront. Fuel docks in the Alamitos Bay and Shoreline Marinas are operated by Bolder, and an alternate fueling site in San Pedro is operated by The Jankovich Company.

Approximately 75 percent of the marine fuel used by City vessels is supplied by Bolder, with the remainder being supplied by The Jankovich Company. Purchasing marine fuel from Bolder enables City vessels to be fueled within their patrol and operating areas, minimizing the time they would be unavailable to respond if they had to go to external locations for fuel. Therefore, in the interest of public safety, the Department of Financial Management wishes to enter into an annual contract to purchase marine fuel from The Bolder Group, Inc.

HONORABLE MAYOR AND CITY COUNCIL

December 16, 2014

Page 2

Pursuant to Purchasing policy, Blanket Purchase Order (BPO) BPPW12000060 was issued on January 1, 2012, and will expire on January 1, 2015. City Council authorization of an additional \$14,000 is requested to pay for fuel purchases in excess of BPO capacity during the term, bringing the three year total of the BPO to \$303,000.

City Charter Section 1801 requires that contracts for City purchases be awarded to the lowest responsible bidder after a competitive bid process, but allows for awards without a competitive bid process if accompanied by a Resolution adopted by the City Council.

This matter was reviewed by Deputy City Attorney Kendra L. Carney on December 5, 2014 and by Budget Operations Officer Grace Yoon on November 26, 2014.

SUSTAINABILITY

The Bolder Group, Inc., must provide marine fuel that is in compliance with the State of California requirements for the purchase of ultra-low sulfur diesel fuel, dispensing, containment and the collection and payment of taxes.

TIMING CONSIDERATIONS

City Council action to adopt the attached Resolution and award a contract concurrently is requested on December 16, 2014 to ensure that a contract is in place expeditiously.

FISCAL IMPACT

Contract costs will not exceed \$165,000 annually, including the recommended 10 percent contingency of \$15,000. Sufficient funds are budgeted in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) and in the Tidelands Operating Fund (TF 401) in the Police Department (PD). The costs to the Fleet Services Fund are reimbursed through charges to departments through the Fleet MOU. The costs to the Tidelands Operating Fund are reimbursed through charges to the Harbor Department (HA) through an MOU with the Police Department (PD). This contract will provide continue support to our local economy by assisting in the preservation of employment for two full-time employees residing in Long Beach.

SUGGESTED ACTION:

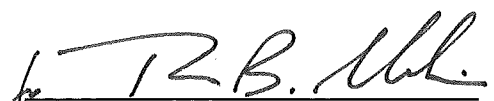
Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER

1 RESOLUTION NO.
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH AUTHORIZING THE CITY
5 MANAGER TO EXECUTE A CONTRACT WITH THE
6 BOLDER GROUP, INC., WITHOUT ADVERTISING FOR
7 BIDS, FOR FURNISHING AND DELIVERING MARINE
8 FUEL FOR A PERIOD OF ONE YEAR WITH THE OPTION
9 TO RENEW FOR THREE ADDITIONAL ONE-YEAR
10 PERIODS IN AN ANNUAL AMOUNT NOT TO EXCEED
11 \$150,000
12

13 WHEREAS, the recent addition of grant-funded marine vessels has
14 increased the size of the City's fleet and caused the cost of supplying said fleet Marine
15 Fuel to exceed \$100,000 per year; and

16 WHEREAS, The Bolder Group, Inc. is currently under Lease Agreement
17 No. 28350 with the Department of Parks, Recreation and Marine to manage the fuel docs
18 at Alamitos Bay and Shoreline Marina; and

19 WHEREAS, The Bolder Group, Inc. provides marine fuel to the public and
20 manages the docks owned by the City; and

21 WHEREAS, it would not be economically beneficial to the City of Long
22 Beach to divide the fuel tanks located at the docks between the public and City users;
23 and

24 WHEREAS, therefore, the Department of Financial Management would like
25 to enter into an annual contract to purchase marine fuel from The Bolder Group, Inc. to
26 simplify fuel delivery and management of fuel operations at the fuel docks;

27 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
28 follows:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Section 1. The City Manager is hereby authorized to enter into a contract, without advertising for bids, with The Bolder Group, Inc. for the purchase of marine fuel as may be required by the City for a period of one (1) year in an annual amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000). The parties may, by mutual agreement, extend the term for three (3) additional periods of one (1) year each.

Section 2. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2014 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk