

C-4

January 14, 2020

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute all documents necessary to enter into a contract, including any necessary amendments, with M.O. Dion & Sons, Inc., of Long Beach, CA, for furnishing and delivering marine fuel for City vessels, in an annual amount of \$150,000, with a 10 percent contingency in the amount of \$15,000, for a total annual amount not to exceed \$165,000, for a period of five years, with the option to renew for two additional five-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with M.O. Dion & Sons, Inc., for the purchase and delivery of marine fuel at the Alamitos Bay Marina and Shoreline Marina fuel dock facilities. On December 10, 2019, the City Council adopted Specifications RFP PR19-055 authorizing the City Manager to award a contract to M.O. Dion & Sons to operate and maintain the fuel dock facilities in the Long Beach Marinas. The purchase of marine fuel was not included in the RFP; therefore, a contract is necessary to provide fuel for City-owned vessels.

Purchasing marine fuel from M.O. Dion & Sons, Inc., enables City vessels to be fueled within their patrol and operating areas, which minimizes the time and fuel spent traveling to fuel City vessels. The next closest marine fuel facilities are in San Pedro or Orange County, which are considerably farther than the fueling facilities in the Alamitos Bay Marina and Shoreline Marina. The City fleet consists of 39 marine vessels that utilize, on average, 22,000 gallons of diesel fuel and 4,600 gallons of unleaded fuel annually.

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 Taylor M. Anderson on December 5, 2019, Purchasing Agent Tara Yeats on November 3, 2019 and by Budget Management Officer Rhutu Amin Gharib on December 4, 2019.

SUSTAINABILITY

Specially formulated ultra low-sulfur (ULS) diesel fuel and unleaded fuel are sold at the City's fuel docks in compliance with California's low emission fuel standards. In addition, Fleet will request that M.O. Dion & Sons, Inc., purchase renewable ULS diesel fuel whenever it is available.

TIMING CONSIDERATIONS

City Council action is requested on January 14, 2020, to ensure a contract is in place expeditiously.

FISCAL IMPACT

The annual contract amount for marine fuel will not exceed \$165,000, including a 10 percent contingency. Sufficient funding for the contract is budgeted in the Fleet Service Fund Group in the Financial Management Department. Fuel costs are collected from multiple funds and departments through the regular Fleet Services Memorandum of Understanding (MOU) monthly billing process. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. The contract will provide continued support to our local economy by assisting in the preservation of employment for 45 employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS

DIRECTOR OF FINANCIAL MANAGEMENT

ATTACHMENT - RESOLUTION

APPROVED:



THOMAS B. MODICA
ACTING CITY MANAGER

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH AUTHORIZING THE CITY
MANAGER TO EXECUTE A CONTRACT AND ANY
AMENDMENTS THERETO WITH M.O. DION & SONS, INC.
WITHOUT ADVERTISING FOR BIDS FOR FURNISHING
AND DELIVERING MARINE FUEL FOR CITY VESSELS IN
AN ANNUAL AMOUNT NOT TO EXCEED \$165,000

WHEREAS, the City desires the purchase and delivery of marine fuel at the
Alamitos Bay Marina and Shoreline Marina fuel dock facilities; and

WHEREAS, the Parks, Recreation and Marine Department advertised RFP
PF19-055 in February 2019, to obtain a new fuel facility operator to sell fuel to the public
and manage the docks owned by the City. The purchase of marine fuel was not included
in RFP19-055, therefore a contract is necessary to provide fuel for City-owned vessels
assigned to various departments; and

WHEREAS, City Council granted authorization to award a permit to M.O.
Dion & Sons to operate the fuel dock facilities on December 10, 2019; and

WHEREAS, purchasing marine fuel from M.O. Dion & Sons enables City
vessels to be fueled within their patrol and operating areas, which minimizes the time and
fuel spent traveling to fuel City vessels. The next closest marine fuel facilities are in San
Pedro or Orange County, which are considerably further than the fueling facilities in the
Alamitos Bay Marina and Shoreline Marina; and

WHEREAS, the City fleet consists of 39 marine vessels that utilize, on
average, 22,000 gallons of diesel fuel and 4,600 gallons of unleaded fuel annually; and

WHEREAS, as a result, no useful purpose would be served by advertising
for bids and to do so would constitute an idle and useless act and an unnecessary

1 expenditure of public funds;

2 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
3 follows:

4 Section 1. The above recitals are true and correct and are incorporated
5 herein.

6 Section 2. The City Manager is hereby authorized to enter a contract and
7 any amendments thereto with M.O. Dion & Sons, Inc. for the purchase and delivery of
8 marine fuel in an annual amount of \$150,000, with a ten percent contingency in the
9 amount of \$15,000, for a total annual not to exceed amount of \$165,000.

10 Section 3. This resolution shall take effect immediately upon its adoption
11 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

12 I hereby certify that the foregoing resolution was adopted by the City
13 Council of the City of Long Beach at its meeting of _____, 2019 by the
14 following vote:

15
16 Ayes: Councilmembers: _____

17 _____

18 _____

19 _____

20 Noes: Councilmembers: _____

21 _____

22 Absent: Councilmembers: _____

23 _____

24
25
26 _____

City Clerk