



CITY OF LONG BEACH

R-25

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6845 • Fax (562) 570-5836

March 2, 2010

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. PA-00410 and authorize the sale of one used Portable Liquefied Natural Gas (LNG) Fueling System to California Cartage Company, LLC, a local Long Beach-based business, for the amount of \$230,000. (Citywide)

DISCUSSION

City Council approval is requested to authorize the sale and removal of one used portable Liquefied Natural Gas (LNG) fueling system to California Cartage Company, LLC, of Long Beach, California.

Due to the addition of a newer, larger capacity and permanent LNG fuel station at the City's Fleet Services facility, the City now has an older, smaller, portable LNG fueling system available for sale. In 2003, the Fleet Services Bureau leased this fueling system from Applied LNG Technologies, and ultimately purchased and utilized the system until 2009. In 2009, the Fleet Services Bureau built and opened a new permanent 32,000-gallon LNG fueling station to replace the smaller portable unit. This portable fueling system is no longer needed and can be sold.

California Cartage Company, LLC, has agreed to purchase this fueling system for \$230,000, which includes necessary insurance and complete removal of the fueling system from its current location at the Fleet Services facility. California Cartage Company, LLC, has been providing trucking and drayage services in and around the Port of Long Beach since 1942. As part of the Port Clean Air Action Plan, California Cartage Company, LLC, has deployed over 200 LNG drayage trucks. The purchase of this portable LNG fueling system will provide critical fueling services to their growing fleet of trucks as well as provide tax revenues back to the City.

The bid for the purchase of the LNG fueling system was advertised in the Press-Telegram on October 22, 2009 and 149 potential bidders specializing in LNG fuel were notified. Of those bidders, 13 downloaded the bid via our electronic bid system. There was a site inspection meeting on November 4, 2009. 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 on Open Bid Opportunities, which is sent to 30 local, minority and women's business groups. Three bids were received and a public bid opening occurred on

November 12, 2009. Of those bidders, none were Woman-owned Business Enterprises (WBEs), none were Minority-owned Business Enterprises (MBEs), none were certified Small Business Enterprises (SBE) and one was a Long Beach business. California Cartage Company, of Long Beach, CA provided the highest purchase price.

Local Business Outreach

Our outreach goal during the bid process is to encourage Long Beach businesses to take advantage of local preferences offered by the City and submit bids for City contracts. We assist businesses with registering on our Bids Online database to download the bid specifications. Of the Long Beach businesses registered for providing LNG fuel, there was only one business specializing in LNG fuel to provide a quote for the purchase of the fuel tank.

This matter was reviewed by Deputy City Attorney Amy R. Burton on February 2, 2010 and Budget and Performance Management Bureau Manager David Wodynski on February 8, 2010.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-00410 and authorize the sale is requested on March 2, 2010, to ensure California Cartage Company, LLC, can meet their growing fueling needs in a timely manner.

FISCAL IMPACT

The amount of this sale is \$230,000. The funds received will be deposited into the Fleet Services Fund (IS 386) in the Department of Public Works (PW) and will be utilized for the future maintenance and replacement of the existing LNG fueling station.

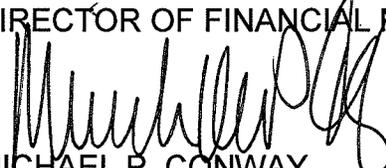
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

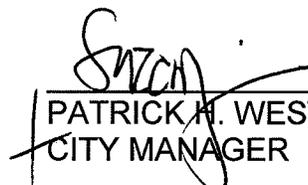


LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

APPROVED:



PATRICK H. WEST
CITY MANAGER