



## CITY OF LONG BEACH

### DEPARTMENT OF PUBLIC WORKS

333 West Ocean Boulevard • Long Beach, CA 90802

August 22, 2006

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

#### RECOMMENDATION:

Adopt the attached Resolution authorizing the City Manager to execute a contract with Seaway Boat Company, for the purchase of two Fire Rescue Boats per quote dated May 23, 2006, on the same terms and conditions as are afforded to the County of Orange, California in an amount not to exceed \$797,171 including tax, with an option for a 10 percent contingency if necessary and if funds are available.

#### DISCUSSION

City Council approval is being requested to enter into a contract for the purchase of two Fire Rescue Boats for the Long Beach Fire Department. The Long Beach Fire Department Marine Safety Division uses these boats for fire suppression and rescue on the waterways and in the marinas.

Fleet Services Bureau is requesting authorization to purchase two Fire Rescue Boats. The new boats will replace existing boats ranging in age from 21 to 22 years old. These boats are scheduled FY 06 replacements and are now past their expected life cycle. The budgeted replacement cycle of a Fire Rescue Boat is 20 years. The two boats to be replaced are at such an advanced age that managing maintenance costs and repair downtime is creating excessive inefficiencies.

The City Charter provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis when authorized by a Resolution of the City Council.

The Department of Public Works, Fleet Services Bureau, investigated procurement options and learned that the County of Orange had completed a competitive bid process for Fire Rescue Boats and has a purchase order with Seaway Boat Company that meets the City's needs. This cooperative purchase agreement will facilitate the timely acquisition of the Fire Rescue Boats and provide cost benefits to the City.

Seaway Boat Company has agreed to sell two Fire Rescue Boats to the City of Long Beach under the same terms and conditions as are afforded to the County of Orange in an amount not to exceed \$797,171, with an option for 10 percent contingency if necessary and if funds are available. The Matrix Fleet Review Study also supports the use of cooperative purchase agreements and adherence to a long-term replacement plan.

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This matter was reviewed by Senior Deputy City Attorney Donna F. Gwin and by Budget Management Officer David Wodynski on August 11, 2006.

TIMING CONSIDERATIONS

City Council action is requested on August 22, 2006, to secure a construction start date, and ensure that the Fire Rescue Boats are built and placed into service as soon as possible. The expected build and delivery time for these boats is 18 months.

FISCAL IMPACT

The purchase price of two Fire Rescue Boats is \$797,171 including tax. The source of funding for the purchase will be a lease financing, with annual estimated payments of \$109,563 for 10 years or \$1,095,630 total. Final lease terms and cost will depend on market conditions and variability. Annual lease payments, which will begin in FY 08, will be included in the annual budgets of the Fleet Services Fund (IS 386) in the Department of Public Works (PW), which will be supported through charges to the Tidelands Fund (TF) in the Fire Department. The City will have the option of adding expenditures up to 10 percent (or \$79,717) above the contract amount if required and funds are available.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTINE F. ANDERSEN  
DIRECTOR OF PUBLIC WORKS

APPROVED:



GERALD R. MILLER  
CITY MANAGER