



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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October 24, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. ITB FS18-003 and award contracts to The Lighthouse, Inc., of Santa Fe Springs, CA; Hanson Distributing, of Azusa, CA; Factory Motor Parts, LLC, of Long Beach, CA; Warren Distributing, Inc., of Santa Fe Springs, CA; H&H Auto Parts Wholesale of Arleta, CA; Genuine Parts Company dba Napa Auto Parts of Long Beach, CA; Battery Systems, Inc. of Long Beach, CA; and Los Angeles Truck Centers, LLC, of Carson, CA, for the purchase and delivery of general automotive parts, in an aggregate annual amount of \$1,300,000, for a period of two years, with the option to renew for three additional one-year periods; authorize a 15 percent contingency in the amount of \$195,000, for a total aggregate annual amount not to exceed \$1,495,000, at the discretion of the City Manager, or designee; authorize the City Manager, or designee, to execute all documents necessary to enter into contracts, including any necessary amendments; and,

Increase appropriations in the Fleet Fund (IS 386) in the Financial Management Department (FM) by \$300,000, offset by charges billed to user departments through the regular monthly Fleet MOU billing process. (Citywide)

DISCUSSION

City Council approval is requested to enter into contracts with The Lighthouse, Inc., of Santa Fe Springs, CA; Hanson Distributing, of Azusa, CA; Factory Motor Parts, LLC, of Long Beach, CA; Warren Distributing, Inc., of Santa Fe Springs, CA; H&H Auto Parts Wholesale, of Arleta, CA; Genuine Parts Company dba Napa Auto Parts of Long Beach, CA; Battery Systems, Inc., of Long Beach, CA; and, Los Angeles Truck Centers, LLC, of Carson, CA, for the furnishing and delivering of general automotive parts for maintenance of a wide variety of vehicles and equipment used by City departments including the Water and Harbor Departments.

The Fleet Services Bureau provides parts and maintenance services for 2,389 vehicles and equipment that use the general automotive parts contracts. The Harbor Department

has 289 units, the Water Department has 450 units, and the remaining 1,650 units are spread across various other City departments. General automotive parts include items such as batteries, fuel and air filters, headlights, pumps, gaskets, and valves. The use of general automotive parts for motorized vehicle and equipment maintenance, as approved by the vehicle/equipment manufacturers, saves the City money over original equipment parts and maintains the warranty for operational conditions.

Due to the variety of vehicles and equipment in the City's fleet, it is necessary to have multiple vendors available to meet the needs of the various user departments. The City Council last approved a multi-vendor general automotive parts contract in October 2013, which expires November 2017. The previous aggregate contract amount of \$840,000 is insufficient to cover the cost of the necessary automotive parts and an increase in contract authority is necessary. This is due in part to the rising cost of raw materials, unplanned but necessary fleet vehicle repairs, and general inflationary price increases.

The bid was advertised in the Long Beach Press-Telegram on August 30, 2017, and 670 potential bidders specializing automotive products and services were notified of the bid opportunity. Of those bidders, 26 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. Seventeen bids were received on September 27, 2017. Of those bidders, two were Minority-Owned Business Enterprises (MBEs), two were Women-Owned Business Enterprises (WBEs), none were certified Small Business Enterprises (SBEs), and three were Long Beach businesses (Local). The Lighthouse, Inc., of Santa Fe Springs, CA (not a MBE, WBE, SBE, or Local); Hanson Distributing, of Azusa, CA (not a MBE, WBE, SBE, or Local); Factory Motor Parts, LLC, of Long Beach, CA (Local, but not a MBE, WBE or SBE); Warren Distributing, Inc. of Santa Fe Springs, CA (MBE, but not a WBE, SBE or Local); H&H Auto Parts Wholesale, of Arleta, CA (not a MBE, WBE, SBE or Local); Genuine Parts Company, dba Napa Auto Parts, of Long Beach, CA; (Local, not a MBE, WBE or SBE) Battery Systems, Inc., of Long Beach, CA (Local, not a MBE, WBE or SBE); and Los Angeles Truck Centers, LLC, of Carson, CA (not a MBE, WBE, 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, 113 Long Beach vendors were notified to submit bids, three of which downloaded and submitted a bid. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

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This matter was reviewed by Deputy City Attorney Monica J. Kilaita on October 9, 2017 and by Assistant Finance Director Lea Eriksen on October 6, 2017.

SUSTAINABILITY

All general automotive products will be in full compliance with State of California regulations. Maintenance of vehicles and equipment, including replacement of worn parts, ensures optimal efficiency in fuel use and operational performance.

TIMING CONSIDERATIONS

City Council action is requested on October 24, 2017, to ensure new contracts are in place expeditiously. Although the current contracts do not expire until the end of November, annual fund allocation is expected to be depleted by the end of October.

FISCAL IMPACT

The aggregate amount of the new contracts will not exceed \$1,300,000 annually, with a 15 percent contingency of \$195,000, for a total aggregate amount not to exceed \$1,495,000 per year. Of this amount, \$1,100,000 is budgeted in the Fleet Services Fund (IS 386) in the Financial Management Department (FM), \$100,000 in the Water Fund (EF 310) in the Water Department (WA), and \$100,000 in the Harbor Fund (HR 430) in the Harbor Department (HA). An appropriation increase of \$300,000 in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) is necessary and will be offset by funds collected through regular monthly 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 47 full-time employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:DB;EW:PM
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APPROVED:



PATRICK H. WEST
CITY MANAGER