



CITY OF LONG BEACH

R-25

DEPARTMENT OF FINANCIAL MANAGEMENT

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July 24, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. PA-00212 Rebid and award a contract to Clean Energy, of Seal Beach, CA (not an MBE, WBE, SBE or Local), for furnishing and delivering liquefied natural gas fuel, in an annual amount not to exceed \$800,000, for the period of one year, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into an annual contract with Clean Energy, for furnishing and delivering index-priced liquefied natural gas (LNG) fuel to the City's LNG fueling station located at Fleet Services at 2600 Temple Avenue. The Department of Public Works, Fleet Services Bureau, has actively pursued the acquisition of various alternative fuel vehicles. A large portion of these acquisitions have been LNG-based vehicles. Currently, the Citywide inventory of LNG vehicles is at 100. However, it is anticipated that this number will increase to 114 vehicles within the next fiscal year.

The bid was advertised in the Press-Telegram on June 13, 2012, and 73 potential bidders specializing in fuel were notified of the bid opportunity. Of those bidders, eight downloaded the bid via our 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 on Open Bid Opportunities, which is sent to 30 local, minority and women-owned business groups. Two bids were received on June 26, 2012. Of those two bidders, none were Minority-owned Business Enterprises (MBEs), none were Woman-owned Business Enterprises (WBEs), none were certified Small Business Enterprises (SBEs), and none were Long Beach businesses (Local). Clean Energy, of Seal Beach, CA (not an MBE, WBE, SBE or Local), was the lowest responsible bidder.

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses were encouraged to submit bids for City contracts. The Purchasing Division also assisted businesses with registering on the Bids Online database to download the bid specifications. Through outreach, 16 Long Beach vendors were contacted to submit bids, of which none downloaded or submitted a bid. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Amy R. Webber on July 5, 2012, and Budget Management Officer Victoria Bell on July 9, 2012.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-00212 Rebid and award the contract is requested on July 24, 2012 to ensure that the contract is in place expeditiously. Interim contracts have been implemented to maintain service continuity and will expire on August 1, 2012.

SUSTAINABILITY

With the addition of LNG fuel to the City's supply chain, we have achieved a number of sustainable benefits:

- **Environmental benefits**—use of LNG results in a 23 percent reduction in nitrogen oxides emissions, 20-40 percent reduction in carbon monoxide and 80-90 percent reduction in particulate matter emissions as compared to petroleum diesel.
- **Energy security benefits**—utilization of domestic supplies of alternative fuels reduces the City's dependence on foreign oil and provides immediate environmental benefits as the City continues to implement alternative fuel options into our fleet.
- **Economic benefits**—Economic Benefits- The monthly cost of LNG will be based on the monthly Southern California Gas Company index, plus liquefaction costs. Even when accounting for the variation in energy content of the different fuels, fuel infrastructure and fueling operation, the costs for LNG are lower than diesel.
- **Quality benefits**—LNG is registered as an approved alternative to diesel fuel and meets clean fuel standards established by the California Air Resources Board (CARB). Both, CARB and the South Coast Air Quality Management District have officially approved its use.

FISCAL IMPACT

The cost for this contract, in an annual amount not to exceed amount of \$800,000, is budgeted in the Fleet Services Fund (IS 386) in the Department of Public Works (PW). Fuel costs are charged to the individual using departments based on actual usage basis. There is no local job impact associated with this recommendation.

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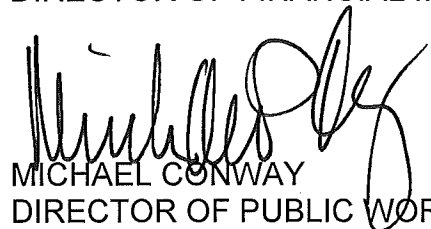
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT



MICHAEL CONWAY
DIRECTOR OF PUBLIC WORKS DEPARTMENT

JG:MC:ES
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APPROVED:



PATRICK H. WEST
CITY MANAGER