



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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C-9

March 17, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a contract with Los Angeles Truck Center, LLC, of Whittier, CA, for the purchase of one compressed natural gas powered, 20 cubic yard, rear-loading refuse truck, for a total amount not to exceed \$287,298, inclusive of taxes and fees. (Citywide)

DISCUSSION

On November 18, 2014, the City Council approved a contract with Los Angeles Truck Center, LLC, for the purchase of one natural gas powered, 20 cubic yard, rear-loading refuse truck for \$281,798 to replace vehicle 13722 that was involved in an accident in 2013 and deemed a total loss. The price included outfitting with a liquefied natural gas (LNG) fuel tank. However, as the City is now moving to compressed natural gas (CNG) for its new refuse truck fleet, a CNG fuel tank is required instead of the LNG tank. This substitution request resulted in an additional cost of \$5,500 for the unit production, bringing the total purchase price to \$287,298, of which \$186,765 will be reimbursed by the City's insurance carrier, Lexington Insurance Company upon delivery of the replacement vehicle.

The initial bid was advertised in the Press-Telegram on July 30, 2013, and 898 potential bidders specializing in automotive or transportation services 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 of Open Bid Opportunities, which is sent to 30 local, minority, and women-owned business groups. Two bids were received on August 15, 2013. Of those two bidders, none were Minority-owned Business Enterprises (MBEs), Women-owned Business Enterprises (WBEs), certified Small Business Enterprises (SBEs), or Long Beach businesses (Local). Los Angeles Truck Center, LLC, of Whittier, CA (not an MBE, WBE, DBE, SBE or Local), was the lowest responsible bidder.

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download the bid specifications. Through outreach, 145 Long Beach vendors were notified 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 Kendra L. Carney and by Budget Management Officer Victoria Bell on February 26, 2015.

SUSTAINABILITY

The new CNG powered vehicle is compliant with the State of California and local district air quality regulations and reduces the City's carbon footprint by placing units with cleaner fuel-burning engines into service.

TIMING CONSIDERATIONS

City Council action to approve the additional funds that are needed to install the CNG fuel tank system is requested on March 17, 2015 to ensure the contract is place to allow for delivery time currently at 250-300 days from the order date. Fleet hopes to have this unit in service by the end of FY 15.

FISCAL IMPACT

The total purchase amount is not to exceed \$287,250, of which \$186,765 will be funded by the insurance company through a reimbursement. The remaining amount of \$100,533 has been collected through regular capital replacement monthly contributions and is budgeted in the Fleet Services Fund (IS 386) in the Financial Management Department (FM). There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



**JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT**

APPROVED:



**PATRICK H. WEST
CITY MANAGER**