



CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

333 West Ocean Boulevard • Long Beach, CA 90802 • (562) 570-6383 • FAX (562) 570-6012

June 7, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a permit with the Long Beach Unified School District for fuel storage for a continuous term with rate adjustments based on the City's costs. (Citywide)

DISCUSSION

The Long Beach Unified School District (District) has held permits with the City of Long Beach to use the City's fuel tanks for the storage and dispensing of the District's fuel to their vehicles since August 1, 1995. The City Council approved the first amendment to the permit on February 9, 1999 for the period ending June 30, 2000, with a one-year renewal option authorizing the use of two tanks. A second permit was approved on August 7, 2001, for the period ending June 30, 2004. The District has requested an additional permit to be authorized for a continuous period retroactive to July 1, 2004 until terminated.

The permit requires the District to purchase fuel independently and directly from its vendors. The fuel is delivered to City-owned fuel tanks and made available to District vehicles through the use of the City's card key access system. The City provides the District with monthly fuel usage reports. The District is currently using the tanks at 1725 San Francisco Avenue and 2400 E. Spring Street. The District is charged an annual fee of \$18,663.12 for the use of both sites.

The proposed permit will be continuous until termination, and the first year of the new permit will reflect the City's current costs based on the District's Fiscal Year 2004 (FY 04) usage. Following the first year, annual fee adjustments will be made based on increases in the City's costs. The preliminary annual fee will be \$21,303.

This matter was reviewed by Senior Deputy City Attorney, Donna F. Gwin on January 26, 2005 and by Budget Officer, David Wodynski on February 2, 2005.

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June 7, 2005

Page 2

TIMING CONSIDERATIONS

City Council approval of the permit is requested on June 7, 2005 to authorize the continued use of the City's tanks by the District. Three quarterly payments for July 1, 2004 through March 31, 2005 usage are outstanding until the permit is authorized. The term of the permit is continuous beginning July 1, 2004 until termination, with annual fee adjustments based on the City's costs.

FISCAL IMPACT

There is no cost to the City to issue this permit. Revenues of \$21,303 will accrue to the Fleet Services Fund (IS 386) and Department of Public Works (PW) for this permit in FY 05.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTINE F. ANDERSEN
DIRECTOR OF PUBLIC WORKS

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APPROVED:



GERALD R. MILLER
CITY MANAGER