

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-22

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-5400 • Fax (562) 570 -5414

November 13, 2018

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. ITB FS18-151 and authorize the City Manager, or designee, to execute all documents necessary to enter into a contract, including any amendments, with Clean Energy Fuels Corporation, of Newport Beach, CA, for the purchase of renewable liquefied natural gas (LNG), in an annual amount of \$315,000, with a 15 percent contingency in the amount of \$47,250, for a total annual contract amount not to exceed \$362,250, for a period of two years, 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 a contract with Clean Energy Fuels Corporation (Clean Energy) for the purchase of renewable LNG fuel. The City's main LNG fuel site is located at 2600 Temple Avenue. LNG fuel is currently being used by over 70 heavy-duty vehicles including refuse trucks, tractors, street sweepers, dump trucks, and aerial bucket trucks. The amount of LNG fuel being used is decreasing as the City gradually transitions to compressed natural gas (CNG) and other alternative fueled vehicles. The average annual cost of fuel used by existing LNG vehicles is projected to be approximately \$315,000 for the next several years.

The bid was advertised in the Long Beach Press-Telegram on September 13, 2018, and 509 potential bidders specializing in petroleum fuels were notified of the bid opportunity. Of those bidders, eight 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. Two bids were received on October 2, 2018. Of those bidders, none were Minority-owned Business Enterprises (MBEs), Women-owned Business Enterprises (WBEs), Small Business Enterprises (SBEs), or Long Beach businesses (Local). Clean Energy, of Newport Beach, CA (not a MBE, WBE, SBE, or local), was the lowest responsible bidder.

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, 68 Long Beach vendors were notified to submit bids, of which one downloaded and none 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 Monica J. Kilaita and by Budget Analysis Officer Julissa José-Murray on October 23, 2018.

SUSTAINABILITY

The use of renewable LNG fuel greatly reduces particulate emissions and reduces the City's carbon footprint by using renewable energy sources.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. ITB FS18-151 and award a contract concurrently is requested on November 13, 2018, to ensure the contract is in place expeditiously.

FISCAL IMPACT

The total annual contract amount will not exceed \$362,250. These costs are budgeted in the Fleet Fund (IS 386) in the Financial Management Department (FM). Costs for fuel are collected through the monthly Fleet Services Memorandum of Understanding (MOU) billing process to various funds and departments. 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