



CITY OF LONG BEACH

R-24

DEPARTMENT OF FINANCIAL MANAGEMENT

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February 16, 2010

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a contract with EF Recovery (of Oakland, CA, an SBE), in the amount not to exceed \$35,000 annually to provide billing and collection services for the Vehicle Accident Response and Mitigation Program for a 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 being requested to authorize the City Manager to award a contract to provide billing and collection services for the City's Vehicle Accident Response and Mitigation Program. In 2006, the Long Beach Fire Department responded to 3,638 motor vehicle accidents, 42 recorded extractions, 270 car fires and 819 Hazardous Materials (Haz-Mat) incidents including fuel spills. In 2007, the Department responded to 3,863 motor vehicle accidents, 34 recorded extractions, 237 car fires and 746 Haz-Mat incidents including fuel spills.

Historically, the City has not separately billed for these accident response costs, but recognizes that these costs should be recovered from the responsible parties, as allowed by the law. The City solicited a Request for Proposals (RFP) to select a contractor to provide effective billing and collection services following the accident or Haz-Mat incident. On October 13, 2009, the City Council approved the Vehicle Accident and Hazardous Material Release Response and Mitigation fee to charge the responsible party at a vehicle accident with cleanup activities or hazardous material release for the response of fire units and resulting mitigation and safety precaution activities related to this program.

The California Vehicle Code (CVC) allows agencies to recover reasonable costs of removal of the "contents of vehicle," which have been deposited upon a street or highway negligently or willfully. Vehicle "contents" can include fluids (oil, fuel, antifreeze, etc.) and debris caused by the impact and subsequent damage to the vehicle itself. The responsible party will only be billed when a response with cleanup activities occurs. Accidents not requiring cleanup activities would not generate a bill to the responsible party.

An RFP was issued on December 9, 2009, and 213 potential bidders specializing in collection and financial services were notified, of which 14 were Long Beach businesses. Of the 213 potential bidders, 20 vendors downloaded the document and three vendors submitted proposals. Of those three vendors, one is a certified Small Business Enterprise (SBE). The RFP 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. An announcement was also included in the Purchasing Division's weekly update on Open Bid opportunities, which is sent to 30 local, minority and women's business group.

A review panel of three staff from the Fire Department, Support Services and the Department of Financial Management, Commercial Services reviewed the proposals.

The three proposals were evaluated based upon the following criteria: project specifications, contractor's methodology and approach to the service, experience in the performance of comparable engagements, cost of contractor's services and RFP conformance. In addition, the panel noted several factors: 1) Cost of services; 2) vendor's significant experience providing accident recovery billing services to California municipalities; 3) billing methodology and internal controls of the billing system; and 4) compatibility with existing hardware and City software. Based on these criteria, EF Recovery, of Oakland, CA, was selected as the most responsible proposal.

Local Business Outreach

The Purchasing Division performed local outreach and researched the Long Beach-based businesses that were registered to receive the RFP notification. Outreach and research included assistance with the registration process for Purchasing's bidders notification system if necessary, an overview of the pending bid opportunity, an introduction to the City's Small Business Enterprise (SBE) Program, bid document distribution, and any other bid process inquiries. In an effort to promote local business opportunities, the Purchasing Division is committed to providing outreach and assistance to Long Beach businesses. Our goal is to provide all Long Beach businesses an opportunity when the applicable bid is posted. After the outreach period, it was determined that, of the 14 Long Beach-based businesses registered, none provided this specialized service.

This matter was reviewed by Deputy City Attorney Amy R. Burton on February 1, 2009 and Budget and Performance Management Bureau Manager David Wodynski on January 29, 2010.

TIMING CONSIDERATIONS

City Council action to award a contract is requested on February 16, 2010 to implement this service.

FISCAL IMPACT

The anticipated annual contract cost is \$35,000, however, final costs will be based upon a fee of 14 percent of revenue collected. Sufficient funds are budgeted in the General Fund (GP) in the Fire Department (FD) to support this cost. The anticipated annual revenue for this service is \$250,000.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



JEFFERY L. REEB
ACTING FIRE CHIEF

APPROVED:



PATRICK H. WEST
CITY MANAGER