



CITY OF LONG BEACH

C-3

DEPARTMENT OF FINANCIAL MANAGEMENT

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March 10, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to increase Blanket Purchase Order Agreement No. BPLB14000039 with Southwest Wear Parts Company, Inc., of South El Monte, CA, for as-needed welding services, by \$100,000, for a total annual amount not to exceed \$300,000, 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 increase the existing agreement with Southwest Wear Parts Company, Inc., by \$100,000, for as-needed welding services. This Citywide Blanket Purchase Order (BPO) is utilized by various departments, including Airport, Financial Management, Harbor, Parks, Recreation and Marine, Public Works, and Water on an as-needed basis when the workload temporarily exceeds the capacity of staff welders. Of these, the Fleet Services Bureau of Financial Management (Fleet) uses the majority of the contract authority for the repair of City vehicles. The Harbor and Water Departments use these services for a variety of welding requirements, both in the shop and in the field. The remaining departments use the contract for miscellaneous welding repair work required at City facilities.

Historically, spending for welding services has averaged \$70,000 per year, but did not include the Airport and Water Departments, which are now included in the current contract. Due to the aging fleet of refuse trucks, which include front, side, and rear loaders, and the temporary loss of a staff welder, Fleet anticipates total BPO expenditures to exceed anticipated needs by \$100,000 per year. Current purchasing guidelines authorize the City Manager to approve purchases up to \$200,000 when a competitive procurement has been done resulting in three or more price proposals. For the initial \$200,000 in this instance, a competitive process was done in April 2014. The action requested of the City Council today is required with the additional new amount of \$100,000 taking the total not to exceed amount to \$300,000. As such, additional purchasing authority is required for this term, and is also being recommended for the remaining terms of the agreement.

A formal procurement process was completed on April 24, 2014, and Southwest Wear Parts Company, Inc., of South El Monte, CA (not an MBE/WBE/SBE or Local), was the lowest responsible bidder. In June 2014, BPLB14000039 was issued pursuant to City purchasing guidelines. This contract is on its first year of a two-year term with options to renew for two additional one-year periods.

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This matter was reviewed by Deputy City Attorney Amy R. Webber on February 13, 2015 and by Budget Management Officer Victoria Bell on February 18, 2015.

TIMING CONSIDERATIONS

City Council action is requested on March 10, 2015 to ensure that as-needed welding services can continue without interruption.

FISCAL IMPACT

Annual expenditures will not exceed \$300,000 and are budgeted in 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

JG:JMcD:AM:LB
K:\Exec\Council Letters\Purchasing\03-10-15 ccl - Southwest Wear Parts for Welding Services - amend BPO rev 2-23-15.docxMarch 10, 2015 Amend BPO with Southwest Wear Parts for Welding Services

APPROVED:



PATRICK H. WEST
CITY MANAGER