

CITY OF LONG BEACH

FINANCIAL MANAGEMENT DEPARTMENT

R-14

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July 16, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary to amend Contract No. 32705 with Merrimac Energy Group (WBE and LSBE), a Long Beach-based business, extending the contract for the purchase of unleaded and diesel fuel to July 2014, with an additional amount not to exceed \$5,500,000. (Citywide)

DISCUSSION

City Council approval is being requested to authorize the City Manager to execute an amendment to the contract with Merrimac Energy Group extending the term for 12 months. The contract with Merrimac Energy Group is used by the Department of Financial Management, Fleet Services Bureau for providing unleaded and diesel fuel for Citywide use. The current contract expires in July 2013.

In order to implement a new contract, bid specifications were developed to accommodate the specific needs of the City that have become apparent throughout the course of the contract period. Due to the annual expenditure on fuel, it is essential that the bid specifications were determined with the intent of maximizing ordering efficiency, timely acquisition of fuel and cost benefits. This required additional time to complete the bid documents. This additional time has delayed the release of the bid for unleaded and diesel fuel. The bid is scheduled to be released in August 2013, and the Department of Financial Management anticipates the new contract award being presented to City Council in November 2013. To ensure that there is no interruption of services prior to the award of a new contract, it is requested that the current contract be extended until July 2014.

This matter was reviewed by Deputy City Attorney Linda Vu on June 27, 2013 and Budget Management Officer Victoria Bell on June 28, 2013.

TIMING CONSIDERATIONS

City Council action to amend Contract No. 32705 is requested on July 16, 2013 to ensure additional funds are added expeditiously and to maintain continuity of services.

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FISCAL IMPACT

The additional not to exceed amount of \$5,500,000 for the second year of the contract is budgeted in the Fleet Services Fund (IS 386) in the Department of Financial Management (FM), Harbor Operations Fund (HR 430) in the Harbor Department (HA), and in the Water Fund (EF 130) in the Water Department (WA). The continuation of this contract will provide continued support to our local economy by assisting in the preservation of one part-time and two full-time employees residing in Long Beach with employment.

SUGGESTED ACTION:

Approve recommendation.


Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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APPROVED:



PATRICK H. WEST
CITY MANAGER