

# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

# C-21

333 West Ocean Boulevard 6<sup>th</sup> 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 a Resolution authorizing the City Manager, or designee, to execute a contract, and any necessary amendments, with The Bolder Group, Inc., of Long Beach, CA, for furnishing and delivering marine fuel, in an annual amount of \$150,000, with a 10 percent contingency in the amount of \$15,000, for a total annual amount not to exceed \$165,000, 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 enter into a contract with The Bolder Group, Inc. (Bolder), for the purchase of marine fuel used to support boats utilized by the Police, Fire, Public Works and Parks, Recreation and Marine Departments. City Council previously authorized a contract with Bolder on December 16, 2014, for a period of four years with renewals. The current contract will expire on December 31, 2018.

Bolder manages the docks owned by the City and sells marine fuel to user departments and the public. To simplify management of fuel operations at the fuel docks and take advantage of preferential pricing for user departments, the Financial Management Department wishes to enter into a new contract to purchase marine fuel from Bolder. Under the terms of the contract, the City pays up to 10 percent less, or roughly 38 cents less per gallon, for marine fuel compared to the price paid by the public, depending on the fuel type and grade being purchased. Bolder is the operator of the fuel docks and provides the fuel; therefore, it would not be practical or economically beneficial to obtain the fuel elsewhere.

City Charter Section 1801 requires that contracts for City purchases be awarded to the lowest responsible bidder after a competitive bid process, but allows for awards without a competitive bid process if accompanied by a Resolution adopted by the City Council.

This matter was reviewed by Deputy City Attorney Monica J. Kilaita on October 23, 2018 and by Budget Analysis Officer Julissa José-Murray on October 24, 2018.

SUSTAINABILITY

The fuel provided by Bolder follows the State of California requirements for the purchase, dispensing, containment, and collection and payment of taxes for ultra-low sulfur diesel fuel.

TIMING CONSIDERATIONS

City Council action is requested on November 13, 2018, to ensure the contract is in place expeditiously.

FISCAL IMPACT

Total costs will not exceed \$165,000 annually. Sufficient funds are budgeted in the Fleet Services Fund (IS 386) in the Financial Management Department (FM). The costs to the Fleet Services Fund are reimbursed through charges to various departments and funds through the Fleet Services monthly Memorandum of Understanding (MOU) billing process. This contract will provide continue support to our local economy by assisting in the preservation of employment for two full-time staff residing in Long Beach.

**SUGGESTED ACTION:**


Approve recommendation.

Respectfully submitted,



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

  
\_\_\_\_\_  
PATRICK H. WEST  
CITY MANAGER

1 RESOLUTION NO.  
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH AUTHORIZING THE CITY  
5 MANAGER TO EXECUTE A CONTRACT AND ANY  
6 AMENDMENTS THERETO WITH THE BOLDER GROUP,  
7 INC. WITHOUT ADVERTISING FOR BIDS FOR THE  
8 FURNISHING AND DELIVERING OF MARINE FUEL, IN AN  
9 ANNUAL AMOUNT NOT TO EXCEED \$150,000, AND A 10  
10 PERCENT CONTINGENCY IN THE AMOUNT OF \$15,000  
11 PER YEAR

12  
13 WHEREAS, The Bolder Group, Inc. ("BOLDER") manages the docks  
14 owned by the City and sells marine fuel to both the public and City Department users;  
15 and

16 WHEREAS, the Police, Fire, Public Works, and Parks, Recreation and  
17 Marine Departments have marine vessels that purchase fuel from the fuel docks; and

18 WHEREAS, the Financial Management Department wishes to enter into an  
19 annual contract to purchase marine fuel from BOLDER in order to simplify management  
20 of fuel operations at the fuel docks and take advantage of the preferential pricing for user  
21 departments; and

22 WHEREAS, under contract, the City pays 38 cents less per gallon for  
23 marine fuel than the prices charged to the public; and

24 WHEREAS, this represents up to 10 percent discount depending on the fuel  
25 type and grade being purchased; and

26 WHEREAS, as a result, no useful purpose would be served by advertising  
27 for bids and to do so would constitute an idle and useless act and an unnecessary  
28 expenditure of public funds;

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. The above recitals are true and correct and are incorporated herein.

Section 2. The City Manager is hereby authorized to enter a contract and any amendments thereto with BOLDER for furnishing and delivering marine fuel in an annual amount not to exceed One Hundred and Fifty Thousand Dollars (\$150,000), and a 10 percent contingency in the amount of Fifteen Thousand Dollars (\$15,000) per year, for a period of two years, with the option to renew for two additional one-year periods, at the discretion of the City Manager.

Section 3. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 20\_\_ by the following vote:

Ayes: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
City Clerk