



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-6

333 West Ocean Blvd • Long Beach, California 90802

March 6, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Amend Contract No. 32182 with Industrial Shoe Company, of Santa Ana, CA (not an MBE, WBE, SBE, or Local), for furnishing and delivering safety footwear, in an amount not to exceed \$110,000, for a period of one year, with the option to renew for two additional one-year periods, at the discretion of the City Manager, to include tiered pricing. (Citywide)

DISCUSSION

On June 14, 2011, City Council approved the City Manager's request to execute a contract with Industrial Shoe Company for safety footwear. City Council approval is being requested to amend Contract No. 32182 with Industrial Shoe Company to include tiered pricing that will offer additional discounts to the existing contract prices. Pursuant to the State of California, Code of Regulations, Title 8, Section 3385, employers are required to provide their employees, who work in an environment where foot hazards exist, with special safety footwear. The participating departments in this contract are: Long Beach Airport, Development Services, Harbor, Health and Human Services, Gas and Oil, Library Services, Parks, Recreation and Marine, Public Works, Water, and Technology Services.

Subsequent to the award, the Los Angeles Department of Water and Power (LADWP) expressed an interest to participate in a cooperative purchasing agreement with Industrial Shoe Company under the City's Contract No. 32182. In March 2010, City Council adopted a procurement program aimed at increasing the economies of scale for the City. The procurement program requests that staff explore opportunities that allow large government organizations and businesses to opt into the City's procurement system, as this will allow greater leverage and economies of scale in purchasing.

As intended by the City Council, LADWP's interest in our purchasing agreement has given the City an opportunity for greater buying power. Industrial Shoe Company, in response to LADWP's request, has offered to give additional discounts to the City by amending Contract No. 32182 to include tiered pricing, which will be applied based on

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the combined annual sales generated from the City and LADWP. Discounts offered range from a minimum of \$5 to a maximum of \$8 per pair of shoes for combined purchases exceeding 1,499 pairs. Considering the potential savings that can be achieved, City Council approval to amend Contract No. 32182 is being requested.

This matter was reviewed by Deputy City Attorney Amy R. Webber on January 31, 2012 and Budget Management Officer Victoria Bell on February 9, 2012.

TIMING CONSIDERATIONS

City Council action to amend Contract No. 32182 is requested on March 6, 2012 to ensure that the discounted contract price is in place expeditiously.

FISCAL IMPACT

The savings to be generated from this contract will be allocated among various user departments and funds. There is no negative impact to any fund and no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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APPROVED:



PATRICK H. WEST
CITY MANAGER