**CITY OF LONG BEACH**

DEPARTMENT OF FINANCIAL MANAGEMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

May 24, 2005

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California**RECOMMENDATION:**

Adopt Specifications No. PA-01905 and award contracts to Harbor Chevrolet Corporation and Worthington Ford, to furnish and deliver Chevrolet/GMC and Ford automotive parts and service in an annual amount of \$300,000, with the option of renewing for two additional one-year periods. (Citywide)

DISCUSSION

The Fleet Services Bureau of the Department of Public Works, the Harbor Department, and the Water Department are requesting a contract to furnish and deliver Chevrolet/GMC and Ford automotive parts and service for the City's ongoing vehicle preventive and repair maintenance program. This contract provides for the parts requirements for the City's Police black & white sedans, Fire command staff units, utility vehicles, light-duty pick up trucks, as well as a variety of other light-duty vehicles.

The bid was advertised on April 8, 2005, and 16 potential bidders specializing in automotive parts and service were notified of the bid opportunity; four are Minority-owned Business Enterprises (MBEs), two are Women-owned Business Enterprises (WBEs), and ten are Long Beach businesses. The bid document was made available from the Purchasing Division located on the Plaza Level of City Hall and on the Purchasing Division website at www.lbpurchasing.org. A bid announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities sent to 32 local, minority, and women's groups. Bids were opened on April 26, 2005. Harbor Chevrolet Corporation and Worthington Ford, both of Long Beach, CA, were the lowest responsible bidders.

This matter was reviewed by Senior Deputy City Attorney Donna F. Gwin on April 4, 2005 and Budget Management Officer David Wodynski on May 12, 2005.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-01905 and award contracts concurrently is requested on May 24, 2005 to ensure that the new contracts are in place prior to the expiration of the current contracts.

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FISCAL IMPACT

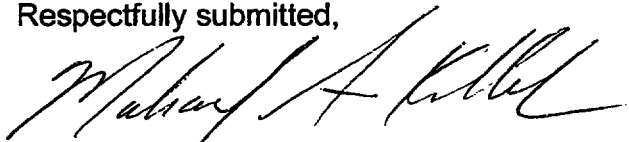
The cost of the contracts, in the estimated annual amount of \$300,000, is budgeted in the Fleet Services Fund (IS 386) in the Department of Public Works (PW), in the Water Fund (EF 310) in the Water Department (WA) and in the Harbor Operations Fund (HR 430) in the Harbor Department (HA). The City will have the option of adding expenditures up to 10 percent above the contract amount.

The current contract reflects a reduction of 10 percent from prior terms based on expected needs. In FY 05, the City's fleet was reduced by over 220 vehicles, as a result of the recommendations by an outside consultant's Fleet Study and the City Auditor's Office review. Additionally, the Fleet Services Bureau is attempting to reduce the age of the City's fleet to avoid inefficient repair costs based on the Fleet Study. The City will retire or replace high maintenance vehicles where possible. These efforts are resulting in reduced parts requirements in the current contract.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT



CHRISTINE F. ANDERSEN
DIRECTOR OF PUBLIC WORKS

APPROVED:



GERALD R. MILLER
CITY MANAGER