

R-20

April 19, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary to amend Contract No. 34597 with Falcon Fuels, of Paramount, CA, and Contract No. 34598 with Merrimac Energy Group, of Long Beach, CA, for the purchase and delivery of petroleum fuels, to increase the aggregate contract amount by \$2,300,000, for a revised aggregate contract amount not to exceed \$13,600,000, and extend the term of the contract to October 31, 2022. (Citywide)

DISCUSSION

City Council approval is requested to amend Contract No. 34597 with Falcon Fuels and Contract No. 34598 with Merrimac Energy Group (Merrimac Energy) to continue the furnishing and delivering of petroleum fuels. These amendments will add funds and extend the term of the contracts for an additional six months.

On April 18, 2017, the City Council awarded contracts to Falcon Fuels and Merrimac Energy as part of its adoption of ITB FS17-019 for furnishing and delivering petroleum fuels for three years, with the option to renew for two additional one-year periods.

On December 11, 2018, an amendment was approved by the City Council to add funds for a revised aggregate contract amount not to exceed \$11,300,000.

A competitive Invitation to Bid (ITB) for petroleum fuels is currently being solicited. An amendment and additional funds are needed at this time to ensure that petroleum fuels are available for all fleet vehicles and equipment, including emergency response vehicles, while the bid advertisement period and new contract execution processes are completed.

This matter was reviewed by Deputy City Attorney Taylor M. Anderson on March 24, 2022, Purchasing Agent Michelle Wilson on March 25, 2022, and by Revenue Management Officer Geraldine Alejo on March 30, 2022.

SUSTAINABILITY

All fuels are in compliance with California Air Resources Board and local air district quality regulations. In addition, the City of Long Beach (City) will continue to purchase renewable diesel fuel to help reduce greenhouse gases.

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TIMING CONSIDERATIONS

City Council action to amend Contracts No. 34597 and 34598, with Falcon Fuels and Merrimac Energy Group, respectively, is requested on April 19, 2022, to ensure there is no interruption to services.

FISCAL IMPACT

The requested amendment will increase the aggregate contract amount with Falcon Fuels and Merrimac Energy by \$2,300,000 to cover the extended contract term, for a revised total aggregate contract amount not to exceed \$13,600,000. Sufficient appropriation is budgeted in the Fleet Fund Group in the Financial Management Department. The cost is offset by charges to departments and collected as part of the Fleet Services Memorandum of Understanding (MOU) billing process. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with City Council priorities. Amendment of these contracts will continue to provide support to our local economy by assisting in the preservation of employment for four full-time employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KEVIN RIPER
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER