



Legislation Details (With Text)

File #: 13-0600 **Version:** 1 **Name:** FM - Merrimac extending contract- Oil/Fuel
Type: Contract **Status:** CCIS
File created: 6/28/2013 **In control:** City Council
On agenda: 7/16/2013 **Final action:** 7/16/2013

Title: Recommendation to authorize 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)

Sponsors: Financial Management

Indexes:

Code sections:

Attachments: 1. 071613-R-14sr.pdf

Date	Ver.	Action By	Action	Result
7/16/2013	1	City Council	approve recommendation	Pass

Recommendation to authorize 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)

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.

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.

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.

Approve recommendation.

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER