



Legislation Details (With Text)

File #: 18-0999 **Version:** 1 **Name:** FM - Contract w/Boulder Group for marine fuel
Type: Resolution **Status:** Adopted
File created: 10/23/2018 **In control:** City Council
On agenda: 11/13/2018 **Final action:** 11/13/2018

Title: Recommendation to adopt resolution authorizing 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)

Sponsors: Financial Management

Indexes:

Code sections:

Attachments: 1. 111318-C-21sr&att.pdf, 2. RES-18-0170.pdf

Date	Ver.	Action By	Action	Result
11/13/2018	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution authorizing 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)

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 Jose-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.

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

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.

Approve recommendation.

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

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER