



April 1, 2014

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Plans and Specifications No. ITB GO-14-024 G-302 for Long Beach Gas and Oil to initiate the inspection of customer-owned sewer laterals in connection with gas pipeline installation projects; and, authorize the City Manager to execute a contract with Mike Prlich & Sons, Inc., of Baldwin Park, CA (SBE; not an MBE, WBE or Local), in an annual amount not to exceed \$221,059, for a one-year term, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

As a requirement of US Department of Transportation regulations for gas distribution integrity management, the Long Beach Gas and Oil Department (LBGO) is actively engaged in identifying and repairing gas pipeline intrusions into sewer pipes at various locations within its service territory. City Council approval is requested to enter into a contract with Mike Prlich & Sons, Inc., to perform the inspection of customer-owned sewer pipelines and identify where intrusions exist. LBGO is finding that, on occasion, using trenchless construction methods to replace gas service pipelines result in damaging unmarked sewer pipes. While locating sewer pipelines and laterals are not required under current State law regarding the surface identification of underground utilities, LBGO currently employs locating services to ensure sewers are identified prior to any work. With the locating services in place, new sewer intrusions are prevented; however, it is necessary to conduct the investigations to address any instances that may have occurred from prior work. The work scope is consistent with LBGO's Distribution Integrity Management Plan.

The bid was advertised in the Press-Telegram on November 5, 2013 and 4,380 potential bidders specializing in sewer pipelines were notified of the bid opportunity. Of those bidders, 41 downloaded the bid via the Purchasing Division's electronic bid system. The bid document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. A bid announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority, and women-owned business groups. Four bids were received on December 3, 2013. Of those four bidders, one was a Minority-owned Business Enterprise (MBE), none were Women-owned Business Enterprises (WBEs), one was a certified Small

HONORABLE MAYOR AND CITY COUNCIL

April 1, 2014

Page 2

Business Enterprise (SBE), and one was a Long Beach business (Local). Mike Prlich & Sons, Inc., was the lowest responsive bidder.

Local Business Outreach

In an effort to align with the City's outreach, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database download bid specifications. Through outreach, 487 Long Beach businesses were notified to submit bids, of which two downloaded and one submitted a bid. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Richard Anthony on February 27, 2014, and by Budget Management Officer Victoria Bell on March 14, 2014.

TIMING CONSIDERATIONS

City Council action is requested on April 1, 2014, so inspection can begin in May 2014, and completed by December 31, 2014.

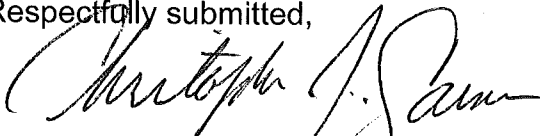
FISCAL IMPACT

The contract award is for an annual amount not to exceed \$221,059 (\$192,225 bid price plus a 15 percent contingency of \$28,834 to address any unanticipated inspections that may be required). The contract cost is budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (GO). There is no impact to local jobs associated with the recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

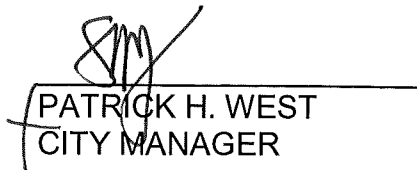


CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER