

April 14, 2020

R-41

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. RFP FM19-060 and award a contract to MJK Construction, Inc., of Chino, CA, for the removal and replacement of two underground storage fuel tanks, in an amount not to exceed \$1,200,215, and authorize the City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary amendments; and,

Increase appropriations in the Fleet Services Fund Group in the Financial Management Department by \$1,200,215, offset by a transfer of revenue from the Water Fund Group in the Water Department. (District 7)

DISCUSSION

City Council approval is requested to enter into a contract with MJK Construction, Inc., for the removal and replacement of two 12,000-gallon underground storage fuel tanks, at the Water Department Maintenance Yard at 1800 East Wardlow Road.

The underground storage tanks (USTs) are at the end of their safe, useful service life and require replacement to ensure protection against a catastrophic tank failure, which could lead to a fuel spill that potentially contaminates the soil and groundwater in the area. The UST system is proposed to be replaced by an aboveground storage tank (AST) system, which is a safer and more cost-effective option for the City.

The Request for Proposals (RFP) was advertised in the Long Beach Press-Telegram on March 25, 2019, and 187 potential proposers specializing in fuel site construction were notified of the RFP opportunity. Of those proposers, 25 downloaded the RFP via the City's electronic bid system. The RFP document was made available by the Purchasing Division at the former City Hall building, and the Division's website at www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which was sent to 22 local, minority-owned and women-owned business groups. One proposal was received on May 1, 2019. The proposer was not a Minority-owned Business Enterprise (MBE), a Women-owned Business Enterprise (WBE), a certified Small Business Enterprise (SBE), nor a Long Beach business (Local).

A selection committee, comprised of two staff members from the Financial Management Department's Fleet Services Bureau and one third-party environmental consultant, reviewed the proposal to ensure that all mandatory requirements of the RFP were met. The proposer was asked to provide a Best and Final Offer by July 8, 2019. The selection committee

determined that MJK Construction, Inc., of Chino, CA (not a MBE, WBE, SBE, or Local), was the most qualified firm to provide the services based on their demonstrated competence, expertise, availability of key personnel, financial stability, and past performance in comparable projects.

Local Business Outreach

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download RFP specifications. Through outreach, 22 Long Beach businesses were notified to submit proposals, of which one downloaded and none submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the proposer pool.

This matter was reviewed by Deputy City Attorney Taylor M. Anderson and Deputy Finance Director Sandy Tsang-Palmer on March 25, 2020, and by Budget Management Officer Rhutu Amin Gharib on March 26, 2020.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. RFP FM19-060 and award a contract concurrently is requested on April 14, 2020, to ensure a contract is in place expeditiously.

FISCAL IMPACT

The total cost of the contract to replace the two 12,000-gallon fuel tanks will not exceed \$1,200,215. An appropriation increase is requested in the Fleet Services Fund Group in the Financial Management Department in the amount of \$1,200,215, offset by a transfer of revenue received from the Water Fund Group in the Water Department. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT
DEPARTMENT



CHRIS GARNER
GENERAL MANAGER, WATER

APPROVED:



THOMAS B. MODICA
ACTING CITY MANAGER