



August 11, 2015

HONORABLE MAYOR AND CITY COUNCILCity of Long Beach
California**RECOMMENDATION:**

Adopt Specifications for Invitation to Bid No. GO 15-077 and award a contract to Phillips Steel Company, of Long Beach, CA, for furnishing and delivering fusion-bonded epoxy-coated steel pipe, in an annual amount not to exceed \$850,000, 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)

DISCUSSION

City Council approval is requested to enter in a contract with Phillips Steel Company, for furnishing and delivering fusion-bonded epoxy-coated (FBE) steel pipe. Staff has estimated that 50 percent of the annual purchase, amounting to approximately \$425,000, will be allocated to projects that LBGO will perform upon request of other agencies and be reimbursed for the work. To reduce overall costs, LBGO, in conjunction with the Purchasing Division, has competitively bid the purchase of the FBE-coated steel pipe and contracted separately for the actual installation of the pipe.

The bid was advertised in the Press-Telegram on May 1, 2015, and 3,379 potential bidders specializing in FBE-coated steel pipe were notified of the bid opportunity. Of those bidders, 26 downloaded the bid via our 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. Two bids were received on May 13, 2015. Of those, none were Minority-owned Business Enterprises (MBEs), none were Women-owned Business Enterprises (WBEs), none were certified Small Business Enterprises (SBEs), and one was a Long Beach businesses (Local). Phillips Steel Company was the lowest responsible bidder.

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Local Business Outreach:

In an effort to align with our outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download the bid specifications. Through outreach, 308 Long Beach vendors 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 and by Budget Management Officer Victoria Bell on July 22, 2015.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. ITB GO 15-077 and award a contract concurrently is requested on August 11, 2015 to ensure that the contract is in place expeditiously.

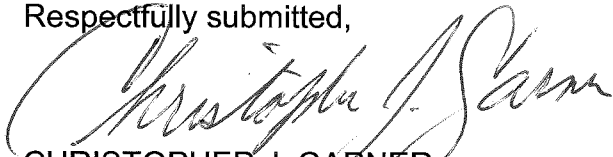
FISCAL IMPACT

The annual contract cost for FBE-coated steel pipe will not exceed \$850,000. Sufficient funding is budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (GO). LBGO anticipates that other agencies will reimburse LBGO for requested projects. The award of this contract will provide continued support to our local economy by assisting in the preservation of employment for 30 full-time employees residing in Long Beach.

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