



DEPARTMENT

CHRISTOPHER J. GARNER
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www.lbgo.org

January 19, 2010

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California**RECOMMENDATION:**

Adopt the attached Resolution authorizing the City Manager to execute a contract and any amendments thereto with Williams Scotsman International, Inc., for the purchase and installation of a modular building on the same terms and conditions afforded the National Joint Powers Alliance (NJPA), in the total amount not to exceed \$2,244,000 including tax, plus a 15 percent contingency (or \$336,600), if necessary and if funds are available. (District 5)

DISCUSSION

City Council approval is requested authorizing the City Manager to execute a contract for the purchase of a 7,656 square-foot, one-story, modular building at the Long Beach Gas and Oil Department (LBGO) site at 2400 East Spring Street. This purchase will facilitate the relocation of approximately 25 staff from the current LBGO's Oil Operations Bureau and the Oil Production/Subsidence Bureau currently leasing private office space located at 211 East Ocean Boulevard. This proposed acquisition will also assist LBGO in aligning their 2010 budget goals by reducing costs, providing a new ongoing revenue stream, reducing the City's rental of private office space, and allowing for the geographic consolidation of the support operations currently performed separately in the gas and oil groups including the areas of accounting, personnel, payroll, safety, clerical, front-desk coverage, and record keeping.

LBGO Business Operations Bureau is requesting to purchase this modular building as part of its Fiscal Year 2010 (FY 10) adopted budget plan. This relocation of staff and consolidation of facilities will eliminate the oil operation's current annual expenditure of \$450,000 in the leasing of private office space. Instead, the oil operations will pay to LBGO and the Gas Fund a new ongoing revenue of \$300,000 annually in space rental fees. The Gas Fund will utilize this revenue stream to help fund its ongoing pipeline infrastructure replacement costs.

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The Department of Financial Management, Purchasing Division, investigated procurement options and learned that the National Joint Powers Alliance (NJPA) had completed an Invitation for Bid (IFB) #041807 process in April 2007, with an extension executed June 2009, that renewed the contract through June 17, 2010 for portable and modular classrooms and/or offices with related equipment, supplies, and accessories and has a contract with Williams Scotsman International, Inc., of Houston, TX (not an MBE, WBE, SBE or local) that meets LBGO's needs.

The City Charter provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis when authorized by a Resolution of the City Council.

Williams Scotsman International, Inc., has agreed to sell a modular office building to the City of Long Beach under the same terms and conditions as are afforded to the NJPA.

LOCAL BUSINESS OUTREACH

During the investigative process, the Purchasing Division staff individually researched for Long Beach businesses that are registered for this commodity, buildings, and structures. No local providers for this specialized commodity were located. In addition, we reviewed a number of other local resources in an attempt to find additional suppliers, but were unable to find a provider that specialized in buildings and structures. Our outreach goal during the procurement process is to encourage Long Beach businesses to take advantage of local preferences offered by the City and submit bids for City contracts. We assist businesses with registering on our Bids Online database to download the bid specifications. It was determined that there were no Long Beach-based businesses that specialized in this commodity.

This matter was reviewed by Deputy City Attorney Amy R. Burton and Budget and Performance Management Bureau Manager David Wodynski on January 4, 2010.

SUSTAINABILITY

The project will meet the City's Green Building Standards by achieving a Silver LEED certification level.

TIMING CONSIDERATIONS

City Council action to adopt the attached Resolution is requested on January 19, 2010 to ensure that the contract is in place expeditiously to minimize delivery turnaround time and avoid a 10 percent to 12 percent cost increase due to manufacturer model year order deadlines.

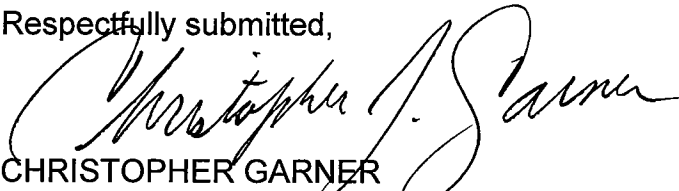
FISCAL IMPACT

The one-time capital expenditure of \$2,244,000, including tax, is budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (EN). The City will have the option of adding a contingency of up to 15 percent (or \$336,600) above the contract amount, if necessary and if funds are available. This one-time Gas Fund expenditure will create an ongoing revenue stream of \$300,000 annually to the Gas Fund that will be utilized to provide funding support for needed ongoing pipeline replacement projects. The oil operations will realize an annual reduction in its office space costs by \$150,000. Both the gas and oil operations will experience future ongoing personnel and equipment cost savings due to efficiencies of staff consolidation. The actual cost savings are unknown at this time.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

CJG:js
Oil Modular Building

ATTACHMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO.

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 WILLIAMS SCOTSMAN INTERNATIONAL, INC., FOR THE PURCHASE AND INSTALLATION OF A MODULAR BUILDING ON THE SAME TERMS AND CONDITIONS AFFORDED THE NATIONAL JOINT POWERS ALLIANCE (NJPA)

WHEREAS, the Charter of the City of Long Beach (the "City"), Section 1802, permits the City to purchase services, supplies, materials, equipment and labor with other government agencies by purchasing under their contracts on a voluntary and selective basis when authorized by resolution; and

WHEREAS, the City desires to purchase a Seven Thousand Six Hundred Fifty-Six (7,656) square-foot, one-story, modular building for the Long Beach Gas and Oil Department site at 2400 East Spring Street in Long Beach; and

WHEREAS, the National Joint Powers Alliance ("NJPA") has an Agreement for the purchase and installation of a modular building ("NJPA Agreement"); and

WHEREAS, the City's participation in the NJPA Agreement will facilitate acquisition and installation of the modular building as well as provide considerable cost benefits to the City; and

WHEREAS, if the City had to go to formal bid rather than participate in the NJPA Agreement considerably more funds would be required;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. The above recitals are true and correct and are incorporated

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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herein by this reference.

2. The City Manager of the City is hereby authorized to enter an agreement with Williams Scotsman International, Inc., for the purchase and installation of a modular building on substantially the same terms and conditions afforded the NJPA, except as modified by mutual agreement of the City and Williams Scotsman International, Inc., in the total amount not to exceed Two Million Two Hundred Forty-Four Thousand Dollars (\$2,244,000.00) including tax, plus a fifteen percent (15%) contingency (or Three Hundred Thirty-Six Thousand Six Hundred Dollars (\$336,600.00), if necessary and if funds are available.

Section 3. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 20__ by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk