



August 9, 2016

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager to execute a contract with Koppl Pipeline Services, Inc., of Montebello, CA, for furnishing and delivering pipeline stopper fittings and perform tapping and stopping services for natural gas pipelines greater than 12 inches in diameter without advertising for bids, in an annual amount not to exceed \$400,000, 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 into a contract with Koppl Pipeline Services, Inc., for furnishing and delivering pipeline stopper fittings on an as-needed basis and perform as-needed tapping and stopping services on natural gas pipelines greater than 12 inches in diameter, for Long Beach Gas and Oil Department (LBGO) to safely and efficiently interrupt the flow of natural gas.

LBGO operates over 58 miles of natural gas pipelines that are greater than 12 inches in diameter. These larger diameter pipelines form part of the backbone of the City's natural gas delivery system. LBGO does not possess the tools and equipment necessary to control and stop the flow of natural gas on these larger pipelines and must rely on aging valves to control and stop gas flow. As a result, existing conditions require removal of large sections of pipelines from service to perform repairs. In addition, experience has shown that these aging valves tend to bypass or vent when closed and do not completely stop the flow of gas. While another vendor offers similar services, its equipment is not compatible with LBGO's older vintage, large diameter pipelines which, in aggregate, total more than half of the existing pipelines greater than 12 inches in diameter.

City Council approval is requested to adopt a Resolution for a sole source purchasing contract, as Koppl Pipeline Services, Inc., is the only supplier of the fittings and tapping/stopping services for pipelines greater than 12 inches in diameter that is compatible with LBGO's older vintage, larger diameter pipelines.

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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 Richard F. Anthony on July 25, 2016, and by Assistant Finance Director Lea Eriksen on July 22, 2016.

TIMING CONSIDERATIONS

City Council action is requested on August 9, 2016, to ensure the contract is in place to order fittings and tapping/stopping services.

FISCAL IMPACT

The total annual contract costs will not exceed \$400,000. Sufficient funds to support this contract are budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (GO). There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ROBERT DOWELL
DIRECTOR OF LONG BEACH GAS AND OIL



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGMENT

APPROVED:


PATRICK H. WEST
CITY MANAGER

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH KOPPL PIPELINE SERVICES, INC., WITHOUT ADVERTISING FOR BIDS, FOR FURNISHING AND DELIVERING PIPELINE STOPPER FITTINGS AND PERFORM TAPPING AND STOPPING SERVICES FOR NATURAL GAS PIPELINES GREATER THAN 12-INCHES IN DIAMETER IN AN ANNUAL AMOUNT NOT TO EXCEED \$400,000 FOR A PERIOD OF TWO YEARS WITH THE OPTION TO RENEW FOR TWO ADDITIONAL ONE-YEAR PERIODS

WHEREAS, the Long Beach Gas & Oil Department ("LBGO") operates over 58 miles of natural gas pipelines that are greater than 12-inches in diameter; and

WHEREAS, these larger diameter pipelines form part of the backbone of the City's natural gas delivery system; and

WHEREAS, LBGO does not possess the tools and equipment necessary to safely control and stop the flow of natural gas on these larger pipelines and must rely on aging valves to control and stop gas flow; and

WHEREAS, existing conditions require removal of large sections of pipelines from service to perform repairs; and

WHEREAS, these aging valves tend to bypass or vent when closed and not completely stop the flow of gas; and

WHEREAS, Koppl Pipeline Services, Inc. is the only company that has compatible equipment with LBGO's older, vintage, large diameter pipelines, which, in aggregate, total more than half of the existing pipelines greater than 12-inches in diameter;

1 and

2 WHEREAS, no useful purpose would be served by advertising for bids and
3 to do so would constitute an idle and useless act and an unnecessary expenditure of public
4 funds because Koppl Pipeline Services, Inc. is the only corporation, firm or individual that
5 could or would bid to furnish and deliver pipeline stopper fittings for pipelines greater than
6 12-inches in diameter that are compatible with LBGO's older pipelines;

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

9 Section 1. The City Manager is hereby authorized to enter a contract,
10 without advertising for bids, with Koppl Pipeline Services, Inc. for furnishing and delivering
11 pipeline stopper fittings and perform tapping and stopping services for natural gas pipelines
12 greater than 12-inches in diameter for a period of two (2) years in an annual amount not to
13 exceed Four Hundred Thousand Dollars (\$400,000). The contract may be extended for
14 two (2) additional one-year periods, at the discretion of the City Manager. If the sole source
15 status of Koppl Pipeline Services, Inc. changes, City shall publicly bid instead of extending
16 the contract.

17 Section 2. This resolution shall take effect immediately upon its adoption
18 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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I hereby certify that the foregoing resolution was adopted by the City Council
of the City of Long Beach at its meeting of _____, 2016
by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk