



July 22, 2014

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Adopt Plans and Specifications No. ITB GO-14-092 (G-321) for the replacement and installation of new gas main pipeline and regulator stations to improve distribution system integrity; award a contract to ARB, Inc., of Lake Forest, CA, in the amount of \$2,034,180 and authorize a 20 percent contingency in the amount of \$406,836, for a total contract amount not to exceed \$2,441,016. (Citywide)

**DISCUSSION**

The Long Beach Gas and Oil Department (LBGO) is requesting approval of plans and specifications for construction activities identified in bid G-321. The proposed work complies with federal regulations by addressing priorities identified in LBGO's Distribution Integrity Management Plan, which classifies system weaknesses and specific measures necessary to ensure the safe and efficient delivery of natural gas to LBGO customers. The proposed work will enhance the LBGO backbone pipeline, providing more efficient delivery of natural gas to new customers deploying clean burning, compressed natural gas (CNG) fueled fleets. The work will also increase LBGO's ability to take delivery of locally-produced natural gas. In addition, older segments of pipelines are being replaced to eliminate potential leaks. It is anticipated the majority of construction activity will be completed in early 2015.

The selected vendor, ARB, Inc., has worked with the City before and is well versed in meeting all federal requirements for pipeline installation contractors. ARB, Inc., was selected as the lowest responsible bidder.

The bid was advertised in the Press-Telegram on May 15, 2014, and 5,041 potential bidders specializing in construction, structure/materials and supplies were notified of the bid opportunity. Of those bidders, 33 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](http://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 (2) bids were received on June 10, 2014. Of those, neither were a Minority-owned Business Enterprise (MBE), Women-owned Business

Enterprise (WBE), certified Small Business Enterprise (SBE), or Long Beach business (Local). ARB, Inc., of Lake Forest, CA (not a MBE/WBE/SBE/Local), was the lowest responsible bidder.

**Local Business Outreach**

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the City's Bids Online database to download bid specifications. Through outreach, 537 Long Beach vendors were notified to submit bids, of which 2 downloaded and none submitted a bid.

This matter was reviewed by Deputy City Attorney Richard Anthony on June 23, 2014 and by Budget Management Officer Victoria Bell on July 2, 2014.

TIMING CONSIDERATIONS

City Council action to adopt Specification No. ITB GO14-092 (G-321) and award a contract concurrently is requested on July 22, 2014, to allow for the timely commencement of this work. Construction is anticipated to begin in August 2014, and be completed by February 28, 2015.

FISCAL IMPACT

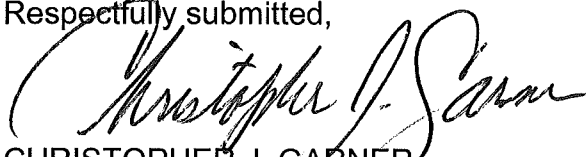
The contract award is for a total amount not to exceed \$2,441,016. All materials are purchased directly by LBGO under separate agreements with other vendors to ensure items meet safety specifications. Direct purchasing also provides cost savings. The requested funding is budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (GO).

ARB, Inc., has agreed to work with LBGO to initiate a local hiring program, giving Long Beach residents the opportunity to work on these projects. Additionally, this activity will support the employment of two Long Beach residents currently working for ARB, Inc.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER  
DIRECTOR OF LONG BEACH GAS AND OIL

APPROVED:



PATRICK H. WEST  
CITY MANAGER