

C-27

December 6, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute a contract, and any necessary related documents, including any necessary subsequent amendments, with West Coast Boiler, Inc., of Santa Fe Springs, CA, for the purchase and installation of heat exchangers and boilers for the Queen Mary, in an amount of \$508,910, with a 10 percent contingency in the amount of \$50,891, for a total contract amount not to exceed \$559,801, for a period of one year with no renewal options. (District 1)

DISCUSSION

On June 21, 2022, the City Council authorized a Hotel Management Agreement (HMA) with Evolution Hospitality, LLC (Evolution), for the reopening and operation of the Queen Mary Hotel, attractions, parking, retail, food and beverage services, and ship related events for a period of five years. The HMA requires the City of Long Beach (City) to perform approximately \$1 million in pre-opening improvements for priority visitor-serving projects needed to safely re-open the ship, with an 8.5 percent contingency of \$195,500 for additional re-opening needs, and \$75,000 for reopening service fees. As part of the \$1 million in pre-opening improvements, the boilers and heat exchangers were identified as priority items that required completion before Evolution could begin to allow guests aboard the ship. City Council approval is requested to enter into a contract with West Coast Boiler, Inc., (West Coast Boiler) for the procurement, delivery, and installation of the heat exchangers and boilers for the Queen Mary.

The Queen Mary's boilers and heat exchangers require replacement due to age and deterioration. Their replacement is critical for the reopening of the ship. The new boilers and heat exchangers are essential, as they will provide hot water services to rooms, restaurants, and restrooms for the entirety of the ship, thus meeting the minimum health and safety requirements for public access. Without the boiler and heat exchangers, the ship will not be able to resume operations.

The installations will include a state-of-the-art controls package and meet the South Coast Air Quality Management District SCAQMD Nitrogen Oxides (NOx) emission limit of 20 ppm. Evolution's on-ship engineering staff are most knowledgeable of the needs and conditions of the ship. Evolution solicited interest from contractors and received five responses. West Coast Boiler was the only firm able to guarantee product delivery and installment within ten weeks, with all other contractors having time frames in excess of six months. West Coast Boiler's product quote provides the lowest overall cost to the City given the avoidance of the substantial delay in

re-opening the ship. In addition to the expedited time frame provided by West Coast Boiler, they offer the most robust assistance, providing extensive service and training, and using products specialized in fuel efficiency and emissions control.

This matter was reviewed by Principal Deputy City Attorney Richard F. Anthony on November 15, 2022, and by Purchasing Agent Michelle Wilson and Budget Management Officer Nader Kaamouch on November 16, 2022.

TIMING CONSIDERATIONS

City Council action to award a contract concurrently is requested on December 6, 2022, to ensure the contract is in place expeditiously.

FISCAL IMPACT

The total contract amount will not exceed \$559,801, including a 10 percent contingency, consulting services, design, plan to check and permit inspection fees, utility fees, construction, construction management, labor compliance, and project oversight. The total contract amount is supported by current appropriations in the Tidelands Area Fund Group in the Public Works 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 local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ERIC LOPEZ
DIRECTOR OF PUBLIC WORKS



BO MARTINEZ
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER