



August 11, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specification No. ITB GO 15-078 and award a contract to Ferguson Enterprises, Inc., a Long Beach-based business (Local), for furnishing and delivering pipeline ball valves, in an annual amount not to exceed \$240,000, for a term 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 Ferguson Enterprises, Inc., for furnishing and delivering pipeline ball valves used by the Department of Long Beach Gas and Oil (LBGO). Ball valves are large diameter pipeline valves, which are specialized pipeline components used by LBGO to safely control the flow of natural gas. LBGO is actively replacing non-operating large diameter valves and removing manhole vaults from the natural gas system. In order to complete various scheduled projects for the next four years, LBGO anticipates a steady requirement of these valves for large diameter pipeline work. To reduce overall costs, LBGO, in conjunction with the Purchasing Division, has competitively bid the purchase of the pipeline ball valves and contracted separately for the actual installation of the valves.

The bid was advertised in the Press-Telegram on May 1, 2015, and 3,371 potential bidders specializing in pipeline ball valves were notified of the bid opportunity. Of those bidders, 37 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. 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. Three bids were received on May 13, 2015. Of those, none were Minority-owned Business Enterprises (MBE), none were Women-owned Business Enterprises (WBEs), none were certified Small Business Enterprises (SBE), and one was a Long Beach business (Local). Ferguson Enterprises, Inc., a Long Beach business (Local, not a MBE/WBE/SBE), was the lowest responsible bidder.

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 bid specifications. Through outreach, 308 Long Beach vendors were notified to submit bids, of which 5 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 Specification No. ITB GO 15-078 and award a contract concurrently is requested on August 11, 2015, to ensure that the contract is in place expeditiously.

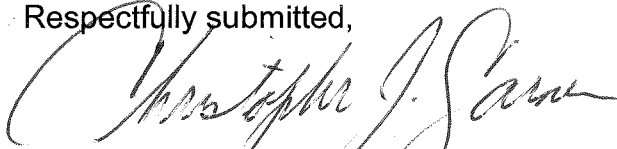
FISCAL IMPACT

LBGO estimates the annual need for pipeline ball valves will not exceed \$240,000. The entire amount 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 two 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