



DEPARTMENT

April 3, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Plans and Specifications No. G-290 for gas main and service line replacement; authorize the City Manager to execute a contract with SE Pipeline Construction, in an amount not to exceed \$5,136,833. (Citywide)

DISCUSSION

The Long Beach Gas and Oil Department (LBGO) is involved in a Capital Improvement Program to replace aging infrastructure for its natural gas utility. The work will be done on various streets throughout the city and consists primarily of reconstructing portions of the underground natural gas pipeline distribution system. This recommendation is to establish the contract for an outside contractor to perform main and service line replacements during Fiscal Year 2012. The materials and supplies required for the project will be purchased by LBGO under separate material and supply contracts. This contract is funded out of the Gas Fund's infrastructure replacement budget. In accordance with the California Environmental Quality Act, Categorical Exemption Number CE-02-12 has been issued for this project.

The bid was advertised in the Press-Telegram on January 6 and January 13, 2012, and 758 potential bidders specializing in gas main and service line replacements were notified of the bid opportunity. Of those bidders, 19 downloaded the bid via the City's electronic bid system. Eight bids were received on February 8, 2012. Due to the substantial difference between the Engineer's estimate and the amounts proposed in the submitted bids, LBGO staff determined that a re-bid was necessary. The re-bid was advertised in the Press-Telegram on February 14, 2012, and 886 potential bidders were notified of the bid opportunity. Of those bidders, 18 downloaded the bid via the 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, and the Long Beach Gas and Oil Department, located at 2400 East Spring Street. 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. Seven bids were received on March 5, 2012. Of those seven bidders, one is a Minority-owned Business Enterprise

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(MBEs), none were Women-owned Business Enterprises (WBEs), one is a certified Small Business Enterprises (SBEs), and one is a Long Beach business (Local). SE Pipeline Construction, of Santa Fe Springs, CA (not an MBE, WBE, SBE, or Local) was the lowest responsible bidder.

Local Business Outreach

The City's outreach goal is to encourage Long Beach businesses to participate in City procurement processes and submit proposals for City contracts. The Purchasing Division assists businesses with registering on the Bids Online database to download the bid specifications. Two Long Beach vendors were contacted to offer local outreach, of which two 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 Budget Management Officer Victoria Bell on March 12, 2012.

TIMING CONSIDERATIONS

City Council action is requested on April 3, 2012, to authorize commencement of this project. Construction is anticipated to begin in April 2012 and completed by September 30, 2012.

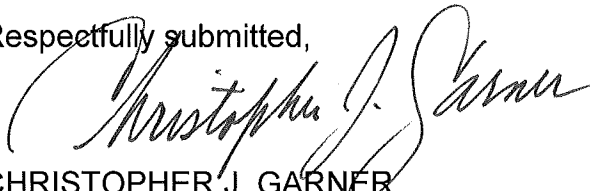
FISCAL IMPACT

The contract award is for an amount not to exceed \$4,669,848, plus a 10 percent contingency (\$466,985), as necessary, for a total award amount of \$5,136,833. All materials are purchased directly by LBGO under separate purchase agreements. The required funding is budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (GO). There is no impact to the General Fund and no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

APPROVED:



PATRICK H. WEST
CITY MANAGER