



CITY OF LONG BEACH

R-10

DEPARTMENT OF FINANCIAL MANAGEMENT

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December 13, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. PA-00312 and award contracts to Ferguson Enterprises, Inc., a Long Beach-based business (Local), and Phillips Steel Company, a Long Beach-based business (Local), for furnishing and delivering fusion-bonded-epoxy (FBE) coated steel pipe, as needed, in an annual amount not to exceed \$500,000, for an initial term of one year with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is being requested to enter into an annual contract with Ferguson Enterprises, Inc., and Phillips Steel Company, for the purchase of as-needed fusion-bonded-epoxy (FBE) coated steel pipe used by the Long Beach Gas and Oil Department (LBGO). To ensure prompt delivery of pipe, LBGO is seeking to purchase from two vendors. Each vendor specializes in providing different sizes of FBE coated steel pipe, which is used to address relocation/replacement projects. Staff has estimated that 80 percent of the annual purchase, amounting to about \$400,000, will be allocated for Port of Long Beach projects. To reduce overall costs, LBGO, in conjunction with the Purchasing Division, has competitively bid the purchase of the FBE coated steel pipe and contracted separately for the actual installation of the pipe. The award represents the estimated combined annual requirements for the two vendors.

The bid for FBE coated steel pipe was advertised in the Press-Telegram on October 14, 2011, and 187 potential bidders specializing in FBE coated steel pipe were notified via our electronic bid system. Of those bidders, 18 downloaded the bid. 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's business groups. Three bids were received on October 27, 2011. Of those three bidders, one was a Minority-owned Business Enterprise (MBE), none were Women-owned Business Enterprises (WBEs), none were certified Small Business Enterprises (SBEs), and two were Long Beach businesses (Local). Ferguson Enterprises, Inc., and Phillips Steel Company, both Long Beach businesses (Local), were the lowest responsible bidders.

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses were encouraged to submit bids for City contracts. We also assisted businesses with registering on our Bids Online database to download the bid specifications. Through outreach, three Long Beach vendors were contacted to submit bids; of which three downloaded the bid and two 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 Amy R. Webber on November 23, 2011 and Budget Management Officer Victoria Bell on November 28, 2011.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-00312 and award contracts concurrently is requested on December 13, 2011 to ensure that the contracts are in place expeditiously.

FISCAL IMPACT

LBGO estimates the annual need for FBE coated steel pipe will not exceed \$500,000. The entire amount is budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (GO). The Port of Long Beach will reimburse the Gas and Oil Department for pipe used for Port-related projects. The award of this contract will provide continued support to our local economy by assisting in the preservation of 34 full-time employees residing in Long Beach with employment.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS & OIL

APPROVED:



PATRICK H. WEST
CITY MANAGER