



February 7, 2017

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Adopt Specifications No. ITB GO16-168 (G-332) and award a contract to ARB, Inc., of Lake Forest, CA, for as-needed pipeline construction projects, in an annual amount not to exceed \$2,500,000, for a period of two years, with the option to renew for two additional one-year periods, at the discretion of the City Manager; and authorize the City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary amendments thereto, including increases to unit pricing as specified in the contract (not to exceed 5 percent in year two, 5 percent in year three, and 5 percent in year four). (Citywide)

**DISCUSSION**

City Council approval is requested to enter into a contract with ARB, Inc., for as-needed pipeline construction projects. This is an annual construction contract providing LBGO with fixed unit prices to replace and relocate aging steel gas pipelines with plastic gas pipelines. The 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.

This is an on-call contract where work is only done by the contractor based on individual work orders issued by LBGO. Payment to the contractor under this contract will be based on the number of work orders issued by LBGO and fully completed by the contractor. The contract does not include any guaranteed minimum payment or retainer fee to the contractor. These specifications anticipate \$2,500,000 of annual work by LBGO for gas distribution integrity projects.

The contract specifications allow for an extension of the contract for up to two additional one-year periods. In the event that a renewal option is exercised, LBGO will provide advance notification to the contractor and require proposed price increases to be submitted to LBGO for approval at least 60 days prior to expiration of the contract. LBGO reserves the right to accept or reject any price increase or to cancel the contract.

The bid was advertised in the Long Beach Press-Telegram on September 9, 2016, and 4,154 potential bidders specializing in construction services were notified of the bid opportunity. Of those bidders, 26 downloaded the bid via the City'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 22 local, minority, and women-owned business groups. One bid was received on October 12, 2016. ARB, Inc., of Lake Forest, CA (not a MBE, WBE, SBE, or 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 PlanetBids database to download the bid/RFP specifications. Through outreach, 368 Long Beach vendors were notified to submit bids, of which four downloaded and none 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 F. Anthony and by Budget Analysis Officer Julissa José-Murray on January 5, 2017.

### **TIMING CONSIDERATIONS**

City Council action to adopt Specifications No. ITB GO16-168 (G-332) and award a contract concurrently is requested on February 7, 2017, to ensure the contract is in place expeditiously.

### **FISCAL IMPACT**

The contract award is for a total annual amount not to exceed \$2,500,000. All materials are purchased directly by LBGO under separate agreements with other vendors to ensure items meet safety specifications. Sufficient funding is budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (GO). The award of this contract will provide continued support to our local economy by assisting in the preservation of employment for five full-time employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ROBERT DOWELL  
DIRECTOR OF LONG BEACH GAS AND OIL



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

  
PATRICK H. WEST  
CITY MANAGER