



March 18, 2008

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Adopt Plans and Specifications No. G-251 for the replacement of steel gas mains at various locations; authorize the City Manager to execute a contract with ARB, Inc., in an estimated amount of \$1,059,630 plus a 15 percent contingency, if necessary and if funds are available, at the discretion of the City Manager; and increase appropriations by \$689,230 in the Gas Fund (EF 301) and in the Long Beach Gas and Oil Department (EN). (Citywide)

**DISCUSSION**

The Long Beach Gas and Oil Department (LBGO) is currently engaged in a six-year Capital Improvement Project (CIP) program to replace aging infrastructure for its natural gas utility. LBGO recently awarded and commenced a contract with ARB, Inc., to begin LBGO's 2008 CIP program. The work will be performed on various streets throughout the city and consists primarily of reconstructing portions of the underground natural gas pipeline distribution system.

Independent from LBGO's six-year CIP program, LBGO is also continuously engaged in various infrastructure improvement projects throughout the city to relocate and improve the natural gas pipeline system. LBGO currently has four major projects in development, which will be completed by March 2009. One project is being performed in conjunction with the Port of Long Beach and will be funded by the Port in the amount of \$602,630. The other three projects will be funded by LBGO. Following a formal bid process, it is requested to award LBGO's infrastructure improvement project contract to ARB, Inc.

City Council adoption of both the plans and specifications and the award of the contract are being recommended concurrently to expedite project implementation. The project was advertised for bids on January 18, 2008 and bids were opened on February 11, 2008. Information regarding the bid and ARB, Inc., is available on the attached contract award document.

This matter was reviewed by Deputy City Attorney Richard Anthony on February 28, 2008 and Budget Management Officer Victoria Bell on March 3, 2008.

TIMING CONSIDERATIONS

City Council action is requested on March 18, 2008, to authorize commencement of this project. Construction is anticipated to begin in April 2008 and should be completed by March 31, 2009.

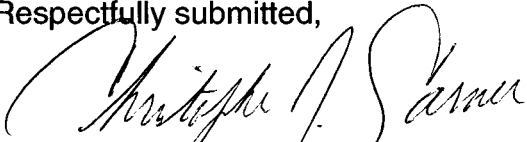
FISCAL IMPACT

The contract award is for an estimated amount of \$1,059,630. It is expected that contract costs in the amount of \$689,230 will be incurred in FY 08, and the remaining contract costs of \$370,400 will be expended in FY 09. The Port will reimburse LBGO \$453,130 in FY 08 and \$149,500 in FY 09 for costs incurred. An appropriation increase in the amount of \$689,230 is required in the Gas Fund (EF 301) and in the Long Beach Gas and Oil Department (EN) to accommodate FY 08 contract costs. There is no General Fund impact, as this project will be paid from the Gas Fund (EF 301), with partial reimbursement from the Harbor Fund (HR).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER  
DIRECTOR OF LONG BEACH GAS AND OIL

CJG:AJW:PSG:SCB  
CCL 3-18-08.G.251 CONTRACT.DOC

Attachment

APPROVED:

  
PATRICK H. WEST  
CITY MANAGER

Recommended Contract Awards For February 11, 2008

<u>PROJECT NUMBER</u>	<u>DESCRIPTION</u>	<u>FUNDING SOURCE</u>	<u>LOWEST RESPONSIVE BIDDER/LOCATION</u>	<u>AWARD AMOUNT</u>
G-251	REPLACEMENT OF GAS MAINS AND SERVICE LINES (CITYWIDE)	GAS CAPITAL FUND COMMERCIAL PAPER OR BOND	ARB, INC. 26000 COMMERCENTRE DRIVE LAKE FOREST, CA 92630	\$1,059,630.00

There were four Plans and Specifications picked up. Two bids were received, none from Minority-owned Business and none from WBEs.

Richard Anthony, Deputy City Attorney, approved the Plans and Specifications on December 26, 2007.

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The above is a construction project, which can be increased up to 15% above the award amount with no further City Council Actions, per the standard Specifications for Public Works Construction ("Green Book"), which has been adopted by the City Council.

**PROCUREMENT OUTREACH:** Advertisements are placed in the Press – Telegram. In a continuing effort to increase participation of Long Beach businesses, MBEs, and WBEs, bids for construction projects exceeding \$100,000 are sent to trade publication catering to the Construction industry.