



CITY OF LONG BEACH

R-13

DEPARTMENT OF FINANCIAL MANAGEMENT

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October 14, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. PA-02308 and award contracts to Sully-Miller Contracting Company and All American Asphalt to furnish and deliver asphalt concrete, in a combined amount not to exceed \$825,000 plus a 20 percent contingency if necessary and if funds are available, for a period 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 requested to enter into annual contracts with Sully-Miller Contracting Company and All American Asphalt to furnish and deliver asphalt concrete to repair potholes, streets and miscellaneous construction projects throughout the City. Departments participating in this contract include Public Works, Long Beach Gas & Oil and Water.

An invitation to bid was advertised on July 14, 2008 and again on July 25, 2008, and 121 potential bidders were notified of the bid opportunity; 13 were Minority-owned Business Enterprises (MBEs), 25 were Women-owned Business Enterprises (WBEs), 18 were Long Beach businesses, and 28 are certified Small Business Enterprises (SBEs). The bid document was made available from the Purchasing Division, located on the Plaza Level 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. The Purchasing Division did not receive any bids, possibly due to the volatility of the price of oil, a component of asphalt. The City Attorney has advised the Purchasing Division that the City may now enter into negotiations directly with a supplier. The City has selected two suppliers to enter into a contract, Sully-Miller Contracting Company, Anaheim, CA and All American Asphalt, Corona, CA. In order to have a constant supply of asphalt available, considering fluctuations in pricing and availability of oil, there are only two Southern California companies that can provide for the needs of the City.

This item was reviewed by Deputy City Attorney Amy R. Burton on September 22, 2008 and Budget Management Officer Victoria Bell on September 25, 2008.

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TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-2308 and award contracts concurrently is requested on October 14, 2008 to ensure that new contracts are in place as soon as possible.

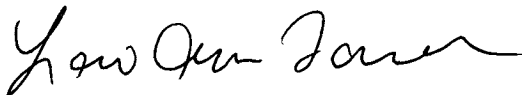
FISCAL IMPACT

The cost of this contract, in the estimated amount of \$825,000 annually, is budgeted for \$250,000 in the General Fund (GP) in the Department of Public Works (PW), \$125,000 in Long Beach Gas & Oil Fund EF 301 (LBGO), and \$450,000 in the Water Department (WA). The City will have the option of adding expenditures up to 20 percent (or \$165,000) above the contract amount, if necessary and if funds are available.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

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APPROVED:


PATRICK H. WEST
CITY MANAGER