

R-37

August 13, 2019

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute an amendment to Contract No. 33970 with ARB, Inc., of Lake Forest, CA, for as-needed steel pipeline construction, increasing the contract amount by \$5,500,000, for a revised total amount not to exceed \$27,500,000, and extend the term for an additional one-year period through August 31, 2020. (Citywide)

DISCUSSION

On August 11, 2015, the City Council awarded contract to ARB, Inc., for as-needed steel pipeline construction projects, in an annual amount of \$5,500,000, for a period of two years with the option to renew for two additional one-year periods. The contract provides the Energy Resources Department (Energy Resources) with fixed unit prices to replace and relocate aging steel gas pipelines. The work addresses priorities identified in the Energy Resources' federally-required Distribution Integrity Management Plan (DIMP), which classifies system vulnerabilities and specific measures necessary to ensure the continued safe and efficient delivery of natural gas to Energy Resources customers.

This is an as-needed contract where work is only done by the contractor based on individual work orders issued by the City. Payment to the contractor under this contract is based on the number of work orders issued by Energy Resources and fully completed by the contractor. The contract is used for annual work by Energy Resources, as well as reimbursable projects performed for outside agencies including the California Department of Transportation and Orange County Transportation Authority (OCTA). The proposed extension will allow for a continuation of services, including OCTA's natural gas pipeline removal on Interstate 405 between State Route 73 and Interstate 605. Energy Resources is currently in the process of developing a new master plan that will incorporate all new steel natural gas pipeline specifications. As a result of the new master plan, the department will initiate a procurement process for these services.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on July 23, 2019 and by Revenue Management Officer Geraldine Alejo on July 26, 2019.

TIMING CONSIDERATIONS

City Council action is requested on August 13, 2019, to allow for the timely response for continued installation of new natural gas pipelines.

FISCAL IMPACT

The revised contract amount will not exceed \$27,500,000. Sufficient funds to support the additional contract authority of \$5,500,000 are currently budgeted in the Gas Fund Group in the Energy Resources Department. Of the additional contract authority, it is estimated that \$2,800,000 will be offset by reimbursement revenue from OCTA for natural gas pipeline removal on Interstate 405. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ROBERT DOWELL
DIRECTOR OF LONG BEACH ENERGY RESOURCES

APPROVED:


PATRICK H. WEST
CITY MANAGER