



# Long Beach Water

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1800 E. Wardlow Road, Long Beach, CA 90807-4931  
562.570.2300 | lbwater.org

## Board of Water Commissioners July 2, 2020 Board Meeting

CHRISTOPHER J. GARNER, General Manager

### Subject:

Authorize the General Manager to execute transfer payment(s) to the City of Long Beach, Fleet Services Bureau for the removal of the underground fuel storage tanks at the Operations Services Yard with new aboveground fuel tanks, in an amount not to exceed \$1,200,215.

### Executive Summary:


The Fleet Services Bureau is responsible for the management of all of the City's Fuel Storage Systems relative to compliance with the Clean Water Act. The existing underground fuel storage tanks at the Operations Service Yard are at the end of their safe, useful service life and need to be replaced to protect against catastrophic tank failure. The Fleet Services Bureau proposed to replace the underground tanks with aboveground storage tanks, which is safer and a more cost effective replacement solution.

The City of Long Beach advertised the Request for Proposals (RFP FM19-060) in March 2019 and received only one proposal. A selection committee comprised of Fleet Services staff and one third party environmental consultant reviewed the proposal and determined MJK Construction, Inc. conformed to all requirements. On April 14, 2020, Long Beach City Council adopted Specification No. RFP FM19-060 and awarded a contract to MJK construction, Inc., for the removal and replacement of two underground fuel storage tanks located at LBWD's Operations Services Yard, 1800 E. Wardlow Road.

### Staff Recommendation:

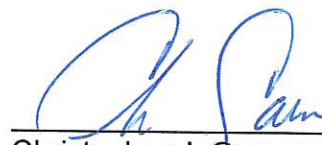
Authorize the General Manager to execute transfer payment(s) to the City of Long Beach, Fleet Services Bureau for the removal of the underground fuel storage tanks at the Operations Services Yard with new aboveground fuel tanks, in an amount not to exceed \$1,200,215.

**Fiscal Impact:** These costs are included in the Water Fund FY 21 Budget and financial projections.

 6/25/20

Tai J. Tseng  
Assistant General Manager - Operations

Date

 6/25/20

Christopher J. Garner  
General Manager

Date

Attachment

April 14, 2020

**R-41**

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Adopt Specifications No. RFP FM19-060 and award a contract to MJK Construction, Inc., of Chino, CA, for the removal and replacement of two underground storage fuel tanks, in an amount not to exceed \$1,200,215, and authorize the City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary amendments; and,

Increase appropriations in the Fleet Services Fund Group in the Financial Management Department by \$1,200,215, offset by a transfer of revenue from the Water Fund Group in the Water Department. (District 7)

**DISCUSSION**

City Council approval is requested to enter into a contract with MJK Construction, Inc., for the removal and replacement of two 12,000-gallon underground storage fuel tanks, at the Water Department Maintenance Yard at 1800 East Wardlow Road.

The underground storage tanks (USTs) are at the end of their safe, useful service life and require replacement to ensure protection against a catastrophic tank failure, which could lead to a fuel spill that potentially contaminates the soil and groundwater in the area. The UST system is proposed to be replaced by an aboveground storage tank (AST) system, which is a safer and more cost-effective option for the City.

The Request for Proposals (RFP) was advertised in the Long Beach Press-Telegram on March 25, 2019, and 187 potential proposers specializing in fuel site construction were notified of the RFP opportunity. Of those proposers, 25 downloaded the RFP via the City's electronic bid system. The RFP document was made available by the Purchasing Division at the former City Hall building, and the Division's website at [www.longbeach.gov/purchasing](http://www.longbeach.gov/purchasing). An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which was sent to 22 local, minority-owned and women-owned business groups. One proposal was received on May 1, 2019. The proposer was not a Minority-owned Business Enterprise (MBE), a Women-owned Business Enterprise (WBE), a certified Small Business Enterprise (SBE), nor a Long Beach business (Local).

A selection committee, comprised of two staff members from the Financial Management Department's Fleet Services Bureau and one third-party environmental consultant, reviewed the proposal to ensure that all mandatory requirements of the RFP were met. The proposer was asked to provide a Best and Final Offer by July 8, 2019. The selection committee



determined that MJK Construction, Inc., of Chino, CA (not a MBE, WBE, SBE, or Local), was the most qualified firm to provide the services based on their demonstrated competence, expertise, availability of key personnel, financial stability, and past performance in comparable projects.

### **Local Business Outreach**

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download RFP specifications. Through outreach, 22 Long Beach businesses were notified to submit proposals, of which one downloaded and none submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the proposer pool.

This matter was reviewed by Deputy City Attorney Taylor M. Anderson and Deputy Finance Director Sandy Tsang-Palmer on March 25, 2020, and by Budget Management Officer Rhutu Amin Gharib on March 26, 2020.

### **TIMING CONSIDERATIONS**

City Council action to adopt Specifications No. RFP FM19-060 and award a contract concurrently is requested on April 14, 2020, to ensure a contract is in place expeditiously.

### **FISCAL IMPACT**

The total cost of the contract to replace the two 12,000-gallon fuel tanks will not exceed \$1,200,215. An appropriation increase is requested in the Fleet Services Fund Group in the Financial Management Department in the amount of \$1,200,215, offset by a transfer of revenue received from the Water Fund Group in the Water Department. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no job impact associated with this recommendation.

### **SUGGESTED ACTION:**

Approve recommendation.

Respectfully submitted,



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT  
DEPARTMENT



CHRIS GARNER  
GENERAL MANAGER, WATER

APPROVED:



THOMAS B. MODICA  
ACTING CITY MANAGER