



CITY OF LONG BEACH

R-31

DEPARTMENT OF FINANCIAL MANAGEMENT

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November 3, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. G-265 and award a contract to Los Angeles Air Conditioning, Inc., in the amount of \$276,000 for a one-time purchase for furnishing, delivering, and installing a heating, ventilating, and air conditioning system (HVAC) retrofit at the Administration Building of the Long Beach Gas and Oil Department, with the option to add expenditures up to 10 percent (or \$27,600) above the contract amount, if necessary and if funds are available. (District 5)

DISCUSSION

City Council approval is requested to enter into a contract with Los Angeles Air Conditioning, Inc., for furnishing, delivering, and installing the HVAC retrofit at the Administration Building of the Long Beach Gas and Oil Department (LBGO).

The current HVAC system was installed in the early 1970's. This system and its corresponding parts are now obsolete. For the last two years, LBGO has spent considerable staff resources and money in maintaining the system to operate at minimal levels. The existing system cannot meet the increased load and does not operate at efficient levels. A number of components, such as control valves, drive motors, hot and cold water coils, cooling tower, and absorption chillers, are in need of repair and/or replacement, but due to availability and pricing, these service needs have been difficult to achieve.

The bid was advertised on July 13, 2009, and 12 potential bidders specializing in heating, ventilating, and air conditioning systems were notified; none are a Woman-owned Business Enterprise (WBE), one is a Minority-owned Business Enterprise (MBE), three are a Small Business Enterprise (SBE), and one is a Long Beach business. 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. A bid announcement was also included in the Purchasing Division's weekly update on Open Bid Opportunities, which is sent to 30 local, minority and women's business groups. Six bids were received and a public bid opening occurred on August 13, 2009. Los Angeles Air Conditioning, Inc., of La Verne, CA (not a WBE, MBE, SBE or local) is the lowest responsible bidder.

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This matter was reviewed by Deputy City Attorney Amy R. Burton on October 5, 2009 and Budget and Performance Management Bureau Manager David Wodynski on October 9, 2009.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. G-265 and award the contract is requested on November 3, 2009 to ensure that a contract is in place expeditiously.

FISCAL IMPACT

The contract award is for an estimated amount of \$276,000. The City will have the option of adding a contingency of 10 percent (or \$27,600) above the annual contract amount, if necessary and if funds are available. The required funding for the entire project is budgeted in the Gas Fund (EF 301) and in the Long Beach Gas and Oil Department (EN). There is no General Fund impact as this project relates to the Gas Fund (EF 301).

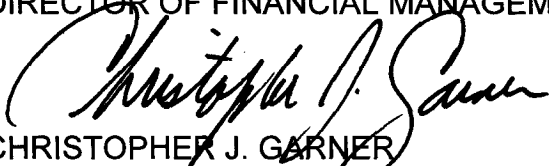
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

APPROVED:



PATRICK H. WEST
CITY MANAGER