



CITY OF LONG BEACH

R-22

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6845 • Fax (562) 570-5836

May 3, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. PA-00911 and award a contract to ARB, Inc., of Lake Forest, CA (not an MBE, WBE, SBE, or Local), for providing G-281 gas pipeline remediation and relocation, in an amount not to exceed \$1,667,958, with the option to add expenditures up to 15 percent (or \$250,194) above the contract amount, if necessary and if funds are available, at the discretion of the City Manager. (Citywide)

DISCUSSION

The Long Beach Gas and Oil Department (LBGO) is actively engaged in various infrastructure projects throughout the City to improve the City's natural gas pipeline system. The work scheduled in Specifications No. G-281 will be done on various streets throughout the city and consists primarily of reconstructing portions of the system for the safe and efficient delivery of natural gas. The recommended work is consistent with the strategic infrastructure plan and will primarily be completed during Fiscal Year 2011. One project is being performed in conjunction with the Port of Long Beach and will be funded by the Port in the amount of \$136,745. The materials and supplies required for the project will be purchased by LBGO under separate material and supply contracts.

An invitation to bid was advertised in the Press-Telegram on February 16, 2011 and 1,191 potential bidders specializing in gas pipe remediation and relocation were notified of the bid opportunity. Of those bidders, 38 downloaded the bid via our electronic bid system. The bid document was made available from the City's Purchasing 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. There was a mandatory pre-bid meeting conducted on February 28, 2011. One bid was received on the public bid opening date of March 9, 2011. ARB, Inc., of Lake Forest, CA (not an MBE, WBE, SBE or Local), as the sole respondent, is

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recommended to provide gas pipeline remediation and relocation. The bid price is below project estimates.

In accordance with the California Environmental Quality Act, Categorical Exemption Number CE-01-11 has been issued for this project.

Local Business Outreach:

Our outreach goal is to encourage Long Beach businesses to participate in City procurement processes and submit proposals for City contracts. We assist businesses with registering on our Bids Online database to download the bid specifications. Bids were sent to trade publications catering to the construction industry to assist in this goal. Two Long Beach vendors were contacted to offer local outreach, three downloaded the bid, and none submitted a bid. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Amy R. Burton on April 13, 2011 and Budget Management Officer Victoria Bell on April 18, 2011

TIMING CONSIDERATIONS

City Council action is requested on May 3, 2011, to authorize commencement of this project. Construction is anticipated to begin in May 2011 and should be completed by September 30, 2011.

FISCAL IMPACT

The contract award is for an amount not to exceed \$1,667,958. The City will have the option of adding expenditures up to 15 percent (or \$250,194) above the contract amount, if necessary and if funds are available. All materials are purchased directly by LBGO under separate purchase agreements as a cost saving measure. The required funding is budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (EN). There is no impact to the General Fund and no local job impact associated with this recommendation.

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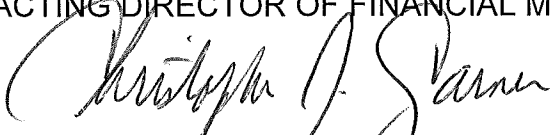
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,




DAVID S. NAKAMOTO
ACTING DIRECTOR OF FINANCIAL MANAGEMENT



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

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APPROVED:



PATRICK H. WEST
CITY MANAGER