

# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

# C-10

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

November 8, 2011

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

## RECOMMENDATION:

Adopt the attached Resolution authorizing the City Manager to execute an annual contract with DMD Dresser, of Houston, TX (not a MBE, WBE, SBE or Local), for furnishing and delivering rotary-type gas meters and other services and parts without advertising for bids, in an annual amount not to exceed \$150,000, 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

For the last seventeen years, the Long Beach Gas and Oil Department (LBGO) has installed DMD Dresser rotary gas meters for residential and industrial customers in Long Beach and Signal Hill. Since the majority of LBGO's large commercial customer delivery sites contain DMD Dresser proprietary equipment, LBGO has fully trained staff on the operation, maintenance, and repair of the DMD Dresser gas meters. In order to maintain the standardization of gas meters for the City's large commercial customers, LBGO is requesting to purchase DMD Dresser gas meters and the related services and parts. This effort will eventually reduce stock requirements for multiple types of equipment and eliminate additional staff training requirements for other types of equipment. Therefore, City Council action is requested to adopt a resolution for a sole source purchase.

LBGO has its Field Meter Proving Program, which involves the calibration and replacement of slow running out-of-specification meters. This program, if not performed, may result in incorrect recording and billing of the natural gas commodity. The purchase of new meters is necessary for the continued support of the Field Meter Proving Program. The contract will also provide for annual recertification services and parts for LBGO's field meter prover equipment.

The City Charter Section 1801 requires that contracts for City purchases be awarded to the lowest responsible bidder after a competitive bid process, but allows for awards without a competitive bid process if accompanied by a Resolution adopted by the City Council.

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This matter was reviewed by Deputy City Attorney Amy R. Webber on October 6, 2011 and Budget Management Officer Victoria Bell on October 14, 2011.

TIMING CONSIDERATIONS

City Council action is requested on November 8, 2011 to ensure the purchase of necessary meter inventory items. The current blanket purchase order expired on October 1, 2011 with no renewals and no interim contract.

FISCAL IMPACT

The total cost of this contract, in an annual amount not to exceed \$150,000, is budgeted in the Gas Enterprise Fund (EF 301) in the Long Beach Gas and Oil Department (GO). The cost associated with this action will be recovered through revenue generated from LBGO gas customers. There are no local jobs impacted by this action.

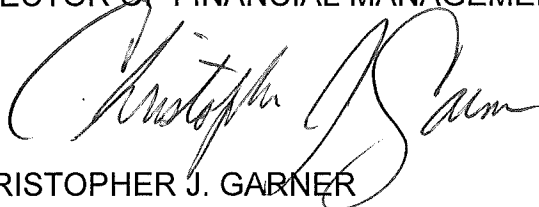
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT



CHRISTOPHER J. GARNER  
DIRECTOR OF LONG BEACH GAS AND OIL

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K:\Exec\Council Letters\Purchasing\11-01-11 ccl - DMD Dresser Reso - gas meters.doc

ATTACHMENT - RESOLUTION

APPROVED:



PATRICK H. WEST  
CITY MANAGER

1 RESOLUTION NO.  
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH AUTHORIZING THE CITY  
5 MANAGER TO EXECUTE A CONTRACT WITH DRESSER,  
6 INC., WITHOUT ADVERTISING FOR BIDS, FOR  
7 FURNISHING AND DELIVERING ROTARY-TYPE GAS  
8 METERS AND OTHER SERVICES AND PARTS FOR A  
9 PERIOD OF ONE YEAR IN AN AMOUNT NOT TO EXCEED  
10 \$150,000 WITH THE OPTION TO RENEW FOR TWO  
11 ADDITIONAL ONE YEAR PERIODS  
12

13 WHEREAS, the Long Beach Gas & Oil Department ("LBGO") is required to  
14 purchase rotary-type gas meters and other services and parts; and

15 WHEREAS, for the last seventeen years, LBGO has installed Dresser, Inc.  
16 ("Dresser") rotary-type gas meters for residential and industrial customers in the City of  
17 Long Beach; and

18 WHEREAS, purchasing Dresser gas meters and related services and parts  
19 will maintain standardization of gas meters and will reduce stock requirements for  
20 multiple types of equipment; and

21 WHEREAS, LBGO has fully trained staff on the operation, maintenance,  
22 and repair of the Dresser gas meters which eliminates the need for additional staff  
23 training; and

24 WHEREAS, as a result, no useful purpose would be served by advertising  
25 for bids for furnishing and delivering these rotary-type gas meters and other services and  
26 parts and to do so would constitute an idle and useless act and an unnecessary  
27 expenditure of public;

28 NOW, THEREFORE, the City Council of the City of Long Beach resolves as

OFFICE OF THE CITY ATTORNEY  
ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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follows:

Section 1. The City Manager is hereby authorized to enter a contract, without advertising for bids, with Dresser, Inc. for the purchase of rotary-type gas meters and other services and parts as may be required by the City for a period of one year in an amount not to exceed \$150,000. The parties may, by mutual agreement, extend the term for two additional periods of one year each. If the sole source status of Dresser, Inc. changes, City shall publicly bid instead of extending the contract.

Section 2. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 20\_\_ by the following vote:

Ayes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
City Clerk