



April 2, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California**RECOMMENDATION:**

Adopt Plans and Specifications No. G-310 for pipeline replacement; and authorize the City Manager to execute a contract with ARB, Inc., in an amount not to exceed \$7,684,035 (Citywide)

DISCUSSION

The Long Beach Gas and Oil Department (LBGO) is requesting approval of plans, specifications, and construction activities identified in bid G-310. The proposed work complies with federal regulations by addressing priorities identified in the Department's Distribution Integrity Management Plan, which classifies system weaknesses and specific measures necessary to ensure the safe and efficient delivery of natural gas to LBGO customers. In Long Beach, a key system risk relates to sections of pipeline where high numbers of gas leaks occur. This is typically found in older sections of the system (1930-1940), but does also occur in newer sections. Evidence of leaks depends on a number of factors, including construction practices used during installation, pipe specifications, soil conditions, and level of maintenance.

The G-310 specifications identify work proposed for completion during the 2013 fiscal year at various locations throughout the city. When complete, the overall system integrity will improve through the replacement of 89,000 feet of aging pipeline, changing 30 failing valves, and upgrading 2,210 service connections to customers. The selected vendor, ARB, Inc., has worked with the City before and is well versed in meeting the federal requirements for pipeline installation contractors.

The bid was advertised in the Press-Telegram on December 28, 2012, and 1,110 potential bidders were notified of the opportunity. Of those bidders, 36 downloaded the bid via the Purchasing Division's electronic bid system. 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-owned business groups. Four bids were received on January 30, 2013. Of those four bidders, one was a Minority-owned Business Enterprise (MBE), none were Women-owned Business Enterprises (WBEs), one was a certified Small Business Enterprise (SBE), and one was a Long Beach business (Local).

HONORABLE MAYOR AND CITY COUNCIL

April 2, 2013

Page 2

Local Business Outreach:

The City's outreach goal during the bid process is to encourage Long Beach businesses to submit bids for City contracts. The Purchasing Division assists businesses with registering on the City's Bids Online database to receive notifications and download bid specifications. Through outreach, 125 Long Beach vendors were notified to submit a proposal for bid G-310, of which one downloaded and presented a response.

This matter was reviewed by Deputy City Attorney Richard Anthony on March 4, 2013 and by Budget Management Officer Victoria Bell on March 5, 2013.

TIMING CONSIDERATIONS

City Council action to adopt Specification No. G-310 and award a contract to ARB, Inc., is requested on April 2, 2013, to allow for the timely commencement of this work. Construction is anticipated to begin in April 2013, and be completed by September 30, 2013.

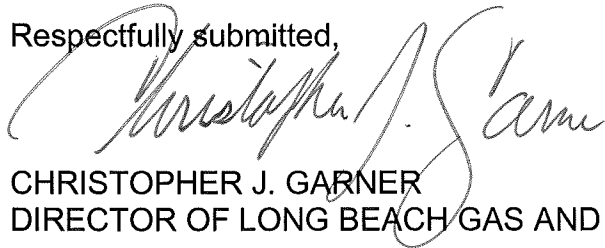
FISCAL IMPACT

The contract award is for an amount not to exceed \$7,684,035 (\$6,985,486 bid price plus a 10 percent contingency of \$698,549). All materials are purchased directly by LBGO under separate agreements with other vendors to ensure items meet safety specifications and as a cost saving measure. The requested funding is budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (GO). There is no impact to the General Fund. This activity will support the employment of two Long Beach residents working for ARB., Inc.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

APPROVED:


PATRICK H. WEST
CITY MANAGER