



# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

**R-28**

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

April 17, 2012

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt Specifications No. PA-00912 and award a contract to Kelterite Corporation, of Downey, CA (not an MBE, WBE, SBE or Local), for furnishing and delivering asphalt concrete, in an amount not to exceed \$860,000, 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

City Council approval is requested to enter into an annual contract with Kelterite Corporation, for furnishing and delivering asphalt concrete to repair potholes, streets and miscellaneous construction projects throughout the City. Departments participating in this contract include Harbor, Long Beach Gas and Oil, Public Works, and Water.

The bid for asphalt concrete was advertised in the Press-Telegram on February 2, 2012, and 41 potential bidders specializing in asphalt concrete were notified. Of those bidders, 14 downloaded the bid via our electronic bid system. 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](http://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. Four bids were received on February 16, 2012. Of those bidders, none were Minority-owned Business Enterprises (MBEs), none were Women-owned Business Enterprises (WBEs), none were Long Beach-based businesses, and none were certified Small Business Enterprises (SBEs). Kelterite Corporation, of Downey, CA (not an MBE, WBE, SBE or Local), was the lowest responsible bidder.

### **Local Business Outreach**

In an effort to align with our outreach goal, Long Beach businesses were encouraged to submit bids for City contracts. The Purchasing Division also assisted businesses with registering on the Bids Online database to download the bid specifications. Through outreach, seven Long Beach vendors were contacted to submit bids, of which two downloaded the bid, however none were submitted. 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. Webber on March 27, 2012, and Budget Management Officer Victoria Bell on April 2, 2012.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-00912 and award contract concurrently is requested on April 17, 2012 to ensure that the new contract is in place expeditiously.

FISCAL IMPACT

The annual not to exceed cost of this contract is \$860,000. Of that amount, \$260,000 is budgeted in the General Fund (GP) in the Department of Public Works (PW); \$125,000 in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (GO); \$25,000 in the Harbor Operations Fund (HR 430) in the Harbor Department (HA); and, \$450,000 in the Water Fund (EF 310) in the Water Department (WA). This action will provide continued support to our local economy by assisting in the preservation of employment for four full-time employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

JG:ES:lb  
K:\Exec\Council Letters\Purchasing\04-17-12 ccl - PA-00912 Kellerite Corp - asphalt concrete.doc

APPROVED:



---

PATRICK H. WEST  
CITY MANAGER