



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-5400 • Fax (562) 570-5414

December 8, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. ITB FS15-151 and award a contract to Fleming Environmental, Inc., of Fullerton, CA, for the construction of an above-ground storage tank fuel site at the West Police Substation, in the amount of \$623,314, plus a 25 percent contingency in the amount of \$155,828, for a total contract amount not to exceed \$779,142; and authorize the City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary amendments thereto; and

Increase appropriations in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$480,000. (Council District 7)

DISCUSSION

City Council approval is requested to enter into a contract with Fleming Environmental, Inc., for construction of an above-ground storage tank fuel site at the West Police Substation. The Fleet Services Bureau manages 20 fuel sites around the City, ensuring that fuel is available for City vehicles and equipment, as well as complying with all of the federal, state, and local regulations that pertain to underground fuel storage tanks. The underground fuel storage tank currently located at the West Police Substation is approaching the end of its service life and was scheduled for replacement in FY 15. Whenever possible, based on available space and usage, underground fuel tanks are replaced with above-ground systems. The above-ground storage tanks present less risk to the environment, have less stringent regulation, and are less expensive.

The bid was advertised in the Long Beach Press-Telegram on August 28, 2015, and 3,808 potential bidders specializing in civil engineering, construction services and materials, and fuel products and services were notified of the bid opportunity. Of those bidders, 68 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 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 22 local, minority and women-owned business groups. Seven bids were received on October 6, 2015. Of those bidders, none were Minority-owned Business Enterprises (MBEs), none were Women-owned Business Enterprises (WBEs), four were certified Small Business Enterprises (SBEs), and none were Long Beach businesses (Local). Fleming Environmental, Inc., of Fullerton, CA (SBE), was the lowest responsible bidder.

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download bid specifications. Through outreach, 342 Long Beach vendors were notified to submit bids, of which six downloaded 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 Monica J. Kalaita on November 17, 2015 and by Assistant Finance Director Lea Eriksen on November 19, 2015.

SUSTAINABILITY

Fuel sites with above-ground fuel storage tanks are safer for the environment. When components are damaged or fail to operate properly, the fuel sites are more easily accessible and repairable in above-ground structures.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. ITB FS15-151 and award a contract concurrently is requested on December 8, 2015, to ensure that a contract is in place expeditiously.

FISCAL IMPACT

Construction costs for the fuel site in the amount of \$300,000 have been appropriated in the Fleet Capital Fund (IS 386) in the Financial Management Department (FM). An increase of \$480,000 is requested to cover the full amount of the fuel site construction, which is \$779,143. Construction costs have been collected, and will continue to be collected in FY 16, through regular fuel facility and CIP repair charges billed to user departments through the monthly Fleet MOU billing process. There is no local job impact associated with this recommendation.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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APPROVED:



PATRICK H. WEST
CITY MANAGER