



# CITY OF LONG BEACH **R-30**

DEPARTMENT OF FINANCIAL MANAGEMENT

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December 2, 2014

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt Specifications No. ITB FS14-120 and award a contract to Jenal Engineering Corporation, of Lemon Grove, CA, for the fuel system replacement project at the Groundwater Treatment Plant (WD-1) in the amount of \$362,080, and authorize a 25 percent contingency in the amount of \$90,520, for a total contract amount not to exceed \$452,600; and authorize the City Manager or designee to execute all documents necessary to enter into the contract, including any necessary amendments thereto. (District 3)

## DISCUSSION

City Council approval is requested to enter into a contract with Jenal Engineering Corporation for the fuel system replacement project at the Groundwater Treatment Plant (WD-1), located at 2950 Redondo Avenue.

The Fleet Services Bureau, in the Financial Management Department, is responsible for the management of all City-owned fuel storage systems. Fleet Services must ensure that City-owned fuel sites are operational and are in compliance with local and state regulations. The existing Underground Storage Tank (UST) at the WD-1 is a 30-year old system that has been recommended for removal and replacement with an Aboveground Storage Tank (AST). The replacement of this fuel tank is vital to the operation and service to the City. WD-1 supplies fuel to the emergency generator for the Water Department's Groundwater Treatment Plant and their vehicles.

The bid was advertised in the Press-Telegram on August 18, 2014, and 3,858 potential bidders specializing in fuel storage or construction-related services were notified of the bid opportunity. Of those bidders, 56 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-owned business groups. Nine bids were received on September 2, 2014. Of those nine bidders, one was a Minority-owned Business Enterprise (MBE), none were Women-owned Business Enterprises (WBEs), six were certified Small Business Enterprises (SBEs), and none were Long Beach businesses (Local). Jenal Engineering Corporation, of Lemon Grove, CA (SBE, not a MBE, WBE or Local), was the lowest responsible bidder.

**Local Business Outreach**

In effort to align with our outreach goal, Long Beach businesses were encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download the bid specifications. Through outreach, 343 Long Beach vendors were contacted to submit bids, of which two 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 Kendra L. Carney on November 10, 2014 and by Budget Management Officer Victoria Bell on November 12, 2014.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. ITB FS14-120 and award a contract concurrently is requested on December 2, 2014 to authorize commencement of this project. Permitting is anticipated to begin December 2014, and the project must be completed by April 30, 2015.

FISCAL IMPACT

Estimated project costs will not exceed \$499,736. Of this amount, contract costs will not exceed \$452,600, including the 25 percent contingency, and is budgeted in the Fleet Services Fund (IS 386) in the Financial Management Department (FM). The remaining \$47,136 is the estimated project management cost for Fleet Services to oversee this project. Project costs will be reimbursed by the Water Fund (EF 310) in the Water Department (WA). There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



PATRICK H. WEST  
CITY MANAGER