

March 16, 2021

R-16

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. ITB ER20-071 and award a contract to ARB, Inc., of Lake Forest, CA, for on-call natural gas pipeline construction and miscellaneous services, in a total annual amount not to exceed \$10,000,000 for a period of one year, with the option to renew for four additional one-year periods, at the discretion of the City Manager; and, authorize the City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary amendments. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with ARB, Inc., for on-call construction and miscellaneous services in a total annual amount of \$10,000,000. This is an annual construction contract providing the Energy Resources Department (ER) with fixed unit prices to replace and relocate steel and polyethylene pipe (PE) natural gas pipelines. The work complies with federal regulations by addressing priorities identified in ER's Distribution Integrity Management Plan (DIMP), which classified pipeline system weakness and specific measures necessary to ensure the safe and efficient delivery of natural gas to ER customers.

The bid was advertised in the Long Beach Press-Telegram on October 16, 2020, and 4,165 potential bidders specializing in construction services were notified of the bid opportunity. Of those bidders, 36 downloaded the bid via the City's electronic bid system. The bid document was made available from the Purchasing Division, located on the sixth floor of City Hall, and the 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 35 local, minority-owned, and women-owned business groups. Four bids were received on January 15, 2021. Of those four bidders, none were Minority-owned Business Enterprises (MBEs), Women-owned Business Enterprises (WBEs), or certified Small Business Enterprises (SBEs), and one was a Long Beach business (Local). ARB, Inc., of Lake Forest, CA (not a MBE, WBE, SBE, or Local), was the lowest responsible bidder.

This is an on-call contract where work is done by the contractor based on individual workorders issued by the City. Payment to the contractor under this contract will be based on the number of workorders issued by ER and fully completed by the contractor. The contract does not include any guaranteed minimum payment or retainer fee to the contractor. These specifications anticipate a mixture of annual work by ER for natural gas distribution integrity projects and annual relocation work by ER for projects that will be funded by sources other than ER, including new development, Port of Long Beach, California Department of Transportation, and Orange County Transit Authority.

The contract specifications allow for an extension of the contract for up to four additional one-year periods. In the event that a renewal option is exercised, ER will provide advance notification to the contractor and require proposed price increases to be submitted to ER for approval at least 60 days prior to the expiration of the contract. ER reserves the right to accept or reject any price increase or to cancel the contract.

Local Business Outreach

To align with the City's outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download bid specifications. Through outreach, 394 Long Beach vendors were notified to submit bids, of which three downloaded and one 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 Richard F. Anthony and Business Services Manager Tara Yeats on February 12, 2021 and by Revenue Management Officer Geraldine Alejo on February 18, 2021.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. ITB ER20-071 and award a contract concurrently is requested on March 16, 2021, to ensure the contract is in place expeditiously.


FISCAL IMPACT

The total annual contract amount will not exceed \$10,000,000, and is budgeted in the Gas Fund Group in the Energy Resources Department. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ROBERT DOWELL
DIRECTOR OF ENERGY RESOURCES

APPROVED:



THOMAS B. MODICA
CITY MANAGER