



# CITY OF LONG BEACH

# R-23

DEPARTMENT OF FINANCIAL MANAGEMENT

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

July 13, 2010

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt Specifications No. RFP G-275 authorizing the City Manager to execute a contract and any amendments thereto with FernaldWest, a Long Beach joint venture (WBE, Local), for an amount not to exceed \$5,742,000 for design and construction services related to the rehabilitation of existing facilities and the installation of a new modular structure at the Long Beach Gas and Oil Department to accommodate realignment and consolidation of various City operations; and, increase appropriations in the Gas Prepay Fund (EF 303) in the Department of Citywide Activities (XC) by \$5,000,000. (District 5)

## DISCUSSION

The Department of Financial Management, Purchasing Division, in conjunction with the Long Beach Gas and Oil Department (LBGO), issued a Request for Proposals (RFP) for design-build services related to engineering, design, and installation of a new modular building at 2400 East Spring Street. The new facility is intended to house LBGO's Oil Production and Subsidence functions and transitioning staff and related operations from a privately-owned leased office space downtown. Relocating this core function will complete the consolidation of the Oil and Gas operations, helping to improve communication, leverage administrative resources, reduce staff overlap, and eliminate a City-leased facility.

In addition, the Commercial Services Call Center will be relocating from City Hall to LBGO. This will move about 25 employees, freeing space at City Hall and allowing other off-site City operations in leased facilities to move in to City Hall. It also allows for more input and oversight of the operation by the utility.

Moreover, existing LBGO facilities will need to be modified to accommodate the relocation of the Department of Public Works, Traffic Service Division from the Public Service Yard. This consists of 40 employees and their associated City vehicles. Rehabilitation activity includes accessibility improvements, new restrooms and showers for the female workforce, reconfiguring work areas and warehouse functions, outside assembly area, parking and circulation improvements. The rehabilitation work is estimated at a not-to-exceed cost of \$1 million, plus a 20 percent contingency.

The RFP for design and construction services for the modular building for LBGO was advertised on February 11, 2010, and 927 potential bidders specializing in design and construction services were notified. Of those bids, 78 downloaded the RFP via our electronic bid system. The RFP 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). An RFP announcement was also included in the Purchasing Division's weekly update on Open Bid Opportunities, which is sent to 30 local, minority and women's business groups. Six proposals were received on the due date of April 20, 2010. Of those six proposers, two were Minority-owned Business Enterprises (MBEs), two were Women-owned Business Enterprises (WBEs), three were Small Business Enterprises (SBEs) and one was a Long Beach business (Local).

The RFP focused on identifying firms that could design and build a facility that could minimally achieve a Leadership in Energy and Environmental Design (LEED) Silver level, utilizing modular construction to save on time and cost. A number of qualified firms responded, and three were selected as finalists to make full presentations and showcase previous work. After evaluating design, experience with LEED, quality of construction, strength of the team, experience with rehabilitation, and value, FernaldWest (WBE, Local) was selected (a joint venture of Fernald, Inc., of Long Beach, CA and Parkwest General Contractors, Inc., of Anaheim, CA).

FernaldWest is proposing a structure that uses construction materials and architectural elements that relate to the existing LBGO administration building. The approximately 13,500 square foot facility will be built to achieve a LEED Gold level of certification, significantly reducing its environmental footprint and energy costs. Key features include: water efficient landscaping, storm water runoff diversion system, use of recycled building materials, design innovation to maximize use of natural light, photovoltaic and lighting control systems to minimize power consumption, and modular construction to maximize green construction practices and minimize waste. Preliminary building designs are attached. The new building and associated site work is estimated to cost \$3.8 million, plus a 20 percent contingency.

### **Local Business Outreach**

The outreach goal during the RFP process is to encourage Long Beach businesses to take advantage of local preferences offered by the City and submit RFPs for City contracts. Efforts also include assistance with registering on the Bids Online database to download specifications. Of the 13 Long Beach businesses registered, 75 additional local vendors listed in the Yellow Pages were contacted by Purchasing and encouraged to register to download the RFP.

### **SUSTAINABILITY**

The selected contractor will provide a Gold LEED certified building, exceeding the City standards. The new facility will provide the following benefits:

- **Environmental** — Using products that reduce harmful greenhouse gas emissions as well as the reduction of building waste sent to landfills.

- **Energy security** — Conservation of energy and water during the process of fabrication.
- **Economic**— Lower operating costs and increase asset value.
- **Quality**— Demonstrate the City's commitment to environmental stewardship and social responsibility, while providing a healthier and safe building for occupants.

In accordance with the Guidelines for Implementation of the California Environmental Quality Act, a Categorical Exemption (CE 32-10) was issued for the proposed project.

The letter was reviewed by Deputy City Attorney Amy R. Burton on June 28, 2010 and Budget Management Officer Victoria Bell on June 29, 2010.

### TIMING CONSIDERATIONS

City Council action is requested on July 13, 2010 in order to finalize and execute the contract and expedite the construction process necessary to meet the six-month timeline to accommodate the Public Service Yard operations.

### FISCAL IMPACT

The proposed project consists of two primary elements: 1) the fabrication and installation of a new modular facility; and, 2) the rehabilitation of existing LBGO buildings. Due to the expediency of the timeline, we are asking for approval of a not-to-exceed project amount as we are still finalizing some of the construction costs. It is estimated the new LEED Gold building will cost \$3.8 million, plus a 20 percent contingency (not to exceed \$4,560,000), and the reconstruction portion of the project to accommodate the relocation of the Public Works Traffic Division is estimated at \$985,000, plus a 20 percent contingency (not to exceed \$1,182,000), for a total estimated amount not to exceed \$5,742,000.

Funding for the project will come from proceeds of the repurchase of Gas Prepay Bonds approved by the City Council in August 2009. The Gas Prepay Fund (EF 303) is holding \$5 million in reserve specifically for the relocation of the Public Service Yard and other capital improvement projects, consistent with the City Council action in August 2009. Therefore, an appropriation increase of \$5 million is included in the recommended action to support the transfer from the Gas Prepay Fund (EF 303) to the Gas Fund (EF 301).

This project provides a positive impact to the General Fund by relieving any future liability for rent associated with moving the Public Works Traffic Division. The award of this contract will provide support to our local economy by assisting in the preservation of six full-time employees who reside in Long Beach. In addition, it creates an ongoing revenue stream to the Gas Fund from the Oil Properties Division's relocation from rental payments currently paid to a private office building. The relocation of the Commercial Services Call Center to the new site will free up space at City Hall potentially creating savings if an outside lease is terminated that currently houses City staff.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL  
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



CHRISTOPHER J. GARNER  
DIRECTOR OF LONG BEACH GAS AND OIL

LAF:CJG:ES  
K:\Exec\Council Letters\Purchasing\07-13-10 ccl - LBGO Modular Offices revised v2.doc

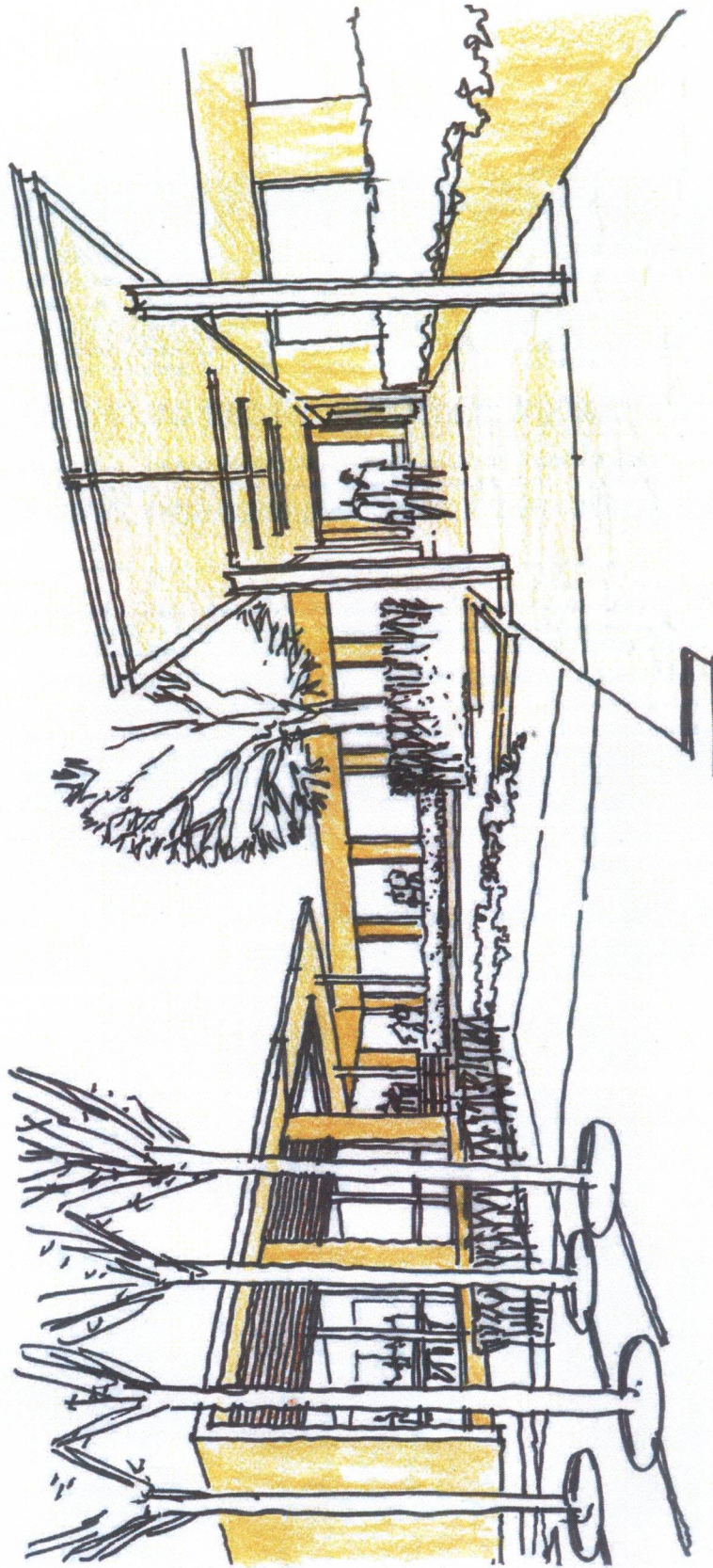
ATTACHMENT

APPROVED:



---

PATRICK H. WEST  
CITY MANAGER



JUN 23 2010

ARCHITECTURAL: B-1