



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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

September 21, 2010

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. PA-02710 to award a contract to Anvil International, L.P., of University Park, IL (not an MBE, WBE, SBE or Local), for a one-time purchase in the amount not to exceed \$162,000, for furnishing and delivering gas pipe fittings and equipment. (Citywide)

DISCUSSION

City Council approval is being requested to enter into a contract for furnishing and delivering gas pipe fittings and equipment with Anvil International, L.P. Gas pipe fittings and equipment are used by the Long Beach Gas and Oil Department (LBGO) for the maintenance of the City's natural gas pipeline system. The contract will also provide for the replacement and repair of Mueller pipe tapping equipment, which is necessary for the safe and efficient delivery of natural gas to LBGO customers in the cities of Long Beach and Signal Hill.

LBGO is responsible for the regular maintenance of the City's natural gas pipeline system, as well as the modification of the system for the additional removal of customer service lines. Specialized pipe tapping equipment is regularly used by LBGO staff to add and remove pipe and pipe fittings. The City has purchased and utilizes proprietary Mueller gas tapping equipment, which can only be used in conjunction with Mueller fittings and parts.

The bid for furnishing and delivering gas pipe fittings and equipment was advertised in the Press-Telegram on April 30, 2010, and 236 potential bidders specializing in gas pipe fittings and equipment were notified. Of those bidders, 41 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. A bid 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. Four bids were received and a public bid opening occurred on April 6, 2010. Of those four bids, none were Minority-owned Business Enterprises (MBEs), one was a Women-owned Business Enterprise (WBE), one was a Small Business Enterprise (SBE), and two were Long Beach businesses (Local). Anvil International, L.P., of University Park, IL (not an MBE, WBE, SBE or Local), was the lowest responsible bidder.

Local Business Outreach

The outreach goal during the bid process is to encourage Long Beach businesses to take advantage of local preferences offered by the City and submit bids for City contracts. The Purchasing Division assists businesses with registering on the Bids Online database to download the bid specifications. Of the eight Long Beach businesses registered for providing gas pipe fittings and equipment, only two bids were submitted by Long Beach companies and, unfortunately, these bids were significantly higher than the lowest responsible bidder. The Purchasing Division will provide a debriefing to the Long Beach vendors that submitted bids to educate them on the bid process, results, and any other questions they may have. These debriefings will assist these vendors with future bid opportunities.

This matter was reviewed by Deputy City Attorney Amy R. Burton on August 25, 2010 and Budget Management Officer Victoria Bell on August 31, 2010.

TIMING CONSIDERATIONS

City Council action is requested on September 21, 2010, to adopt Specifications No. PA-02710 and award a contract to ensure that a contract is in place expeditiously.

FISCAL IMPACT

The cost of this contract is \$162,000 and is budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (EN). There are no local jobs impacted by this action.

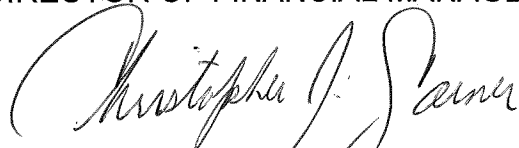
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

APPROVED:



PATRICK H. WEST
CITY MANAGER