



December 18, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Plans and Specifications No. G-250 for gas main and service line replacement; authorize the City Manager to execute a contract with ARB, Inc., in an estimated amount of \$8,295,472; and increase appropriations in the Gas Fund (EF 301) and in the Long Beach Gas and Oil Department (EN) by \$1,500,000. (Citywide)

DISCUSSION

The Long Beach Gas and Oil Department (LBGO) is engaging in a six-year capital improvement program to replace aging infrastructure for its natural gas utility. The work will be done on various streets throughout the city and consists primarily of reconstructing portions of the underground natural gas pipeline distribution system. This recommendation is to establish the contract and increase budget appropriations for main and service line replacements for Fiscal Year 2008.

City Council adoption of both the plans and specifications and the award of the contract are being recommended concurrently to expedite project implementation. The project was advertised for bids on October 19, 2007 and bids were opened on November 28, 2007. Information regarding the bid and ARB, Inc., is available on the attached contract award document.

This matter was reviewed by Deputy City Attorney Richard Anthony on November 29, 2007 and Budget Management Officer Victoria Bell on December 6, 2007. In accordance with the California Environmental Quality Act, Categorical Exemption Number CE-236-07 has been issued for this project.

TIMING CONSIDERATIONS

City Council action is requested on December 18, 2007, to authorize commencement of this project. Construction is anticipated to begin in January 2008 and should take approximately 220 business days.

FISCAL IMPACT

The contract award is for an estimated amount of \$8,295,472. Due to an additional CIP projects as well as an increase in labor costs caused by restrictions imposed in the limitation of working hours by the Department of Transportation on Pacific Coast Highway, an appropriation adjustment of \$1,500,000 will be required in the Gas Fund (EF 301) and in Long Beach Gas and Oil Department (EN) to support this activity. There is no General Fund impact, as this project and will be paid from Gas Funds reserved for CIP projects, as well as the commercial paper proceeds program that was approved by City Council on July 12, 2005.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

CJG:PSG
12-18-07 CCL G-250 CONTRACT.DOC

Attachment

APPROVED:



PATRICK H. WEST
CITY MANAGER

Recommended Contract Awards For December 18, 2007

<u>PROJECT NUMBER</u>	<u>DESCRIPTION</u>	<u>FUNDING SOURCE</u>	<u>LOWEST RESPONSIVE BIDDER/LOCATION</u>	<u>AWARD AMOUNT</u>
G-250	REPLACEMENT OF GAS MAINS AND SERVICE LINES (CITYWIDE)	GAS CAPITAL FUND COMMERCIAL PAPER OR BOND	ARB, INC. 26000 COMMERCENTRE DRIVE LAKE FOREST, CA 92630	\$8,295,472.00

There were eight Plans and Specifications sold. Five bids were received, one from Minority-owned Business and none from WBEs.

Richard Anthony, Deputy City Attorney, approved the Plans and Specifications on October 15, 2007.

The above is a construction project, which can be increased up to 15% above the award amount with no further City Council Actions, per the standard Specifications for Public Works Construction ("Green Book"), which has been adopted by the City Council.

PROCUREMENT OUTREACH: Advertisements are placed in the Press – Telegram. In a continuing effort to increase participation of Long Beach businesses, MBEs, and WBEs, bids for construction projects exceeding \$100,000 are sent to trade publication catering to the Construction industry.