



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-22

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July 8, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. PA-02208 and authorize the City Manager to award a contract to Phillips Steel Company, to furnish and deliver fusion bonded epoxy coating (FBE) pipe, in the amount of \$466,530 including tax, plus a 15 percent contingency if necessary and if funds are available, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract to furnish and deliver FBE pipe to the Long Beach Gas and Oil Department (LBGO) for four key gas pipeline projects. The contract with ARB, Inc., to perform the pipeline installation was approved by City Council on March 18, 2008. These projects are independent from LBGO's six-year Capital Improvement Program, but are part of LBGO's continuous efforts to relocate and improve the City's natural gas pipeline system. It is expected that these projects will be completed by March 2009. One project is being performed in conjunction with the Port of Long Beach and will be funded by the Port in the amount of \$602,630. The other three projects will be funded by LBGO.

The bid was advertised on June 2, 2008, and 80 potential bidders specializing in FBE pipe were notified of the bid opportunity; nine were a Minority-owned Business Enterprises (MBEs), six were Women-owned Business Enterprises (WBEs), and 13 were Long Beach businesses. The bid document was made available from the Purchasing Division located on the Plaza Level of City Hall and the Division's website at www.lbpurchasing.org. 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's business groups. Bids were opened on June 13, 2008. Phillips Steel Company of Long Beach, California, was the lowest responsible bidder.

This matter was reviewed by Deputy City Attorney Amy R. Burton on June 23, 2008 and Budget Management Officer Victoria Bell on June 20, 2008.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-02208 and award contract is requested on July 8, 2008 to ensure that the gas pipeline projects can proceed on schedule.

HONORABLE MAYOR AND CITY COUNCIL

July 8, 2008

Page 2

FISCAL IMPACT

The cost of this contract, in the amount of \$466,530, is budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (EN). There is no General Fund impact, as this project will be paid from the Gas Fund (EF 301), with partial reimbursement from the Harbor Fund (HR). The contract amount is based on the current market price of steel. The City will have the option of adding expenditures up to 15 percent (or \$69,980) above the contract amount for changes in market pricing.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

LAF:ES:MK
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APPROVED:



PATRICK H. WEST
CITY MANAGER