



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-14

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

January 24, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. PA-00712 and award a contract to Independent Utility Supply, of Tracy, CA (not an MBE, WBE, SBE or Local), for furnishing and delivering Mueller products, in an annual amount not to exceed \$235,000, for a period of one-year, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into an annual contract with Independent Utility Supply for furnishing and delivering Mueller brand products used by the Long Beach Gas and Oil Department (LBGO). These products are predominately gas control fittings and equipment, which are specialized pipeline components used by LBGO to safely control the flow of natural gas to maintain the City's natural gas distribution system. Mueller fittings are proprietary, for use with other Mueller equipment currently owned and utilized by LBGO. In addition, LBGO's personnel have already been exclusively trained in operating Mueller pipeline equipment. Purchasing products other than those manufactured by Mueller will not be cost-effective for the City.

The bid for Mueller brand products was advertised in the Press-Telegram on November 2, 2011, and 163 potential bidders specializing in natural gas supplies were notified. Of those bidders, 20 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 of Open Bid Opportunities, which is sent to 30 local, minority and women-owned business groups. Three bids were received on November 17, 2011. Of those three bidders, none were a Minority-owned Business Enterprise (MBEs), one was a Women-owned Business Enterprise (WBE), one was a certified Small Business Enterprise (SBE), and one was a Long Beach business (Local). Independent Utility Supply, of Tracy, CA (not an MBE, WBE, SBE or Local), was the lowest responsible bidder.

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses were encouraged to submit bids for City contracts. We also assisted businesses with registering on our Bids Online database to download the bid specifications. Through outreach, ten Long Beach vendors were contacted to submit bids, of which four downloaded the bid 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 Amy R. Webber on January 3, 2012 and Budget Management Officer Victoria Bell on January 4, 2012.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-00712 and award a contract concurrently is requested on January 24, 2012 to ensure that a new contract is in place expeditiously.

FISCAL IMPACT

The cost of this contract, in an annual amount not to exceed \$235,000, is budgeted in the Gas Enterprise Fund (EF 301) in the Long Beach Gas and Oil Department (GO). There is no impact to the General Fund (GP). There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

APPROVED:



PATRICK H. WEST
CITY MANAGER