



# CITY OF LONG BEACH

# R-13

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6<sup>th</sup> 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-00812 and award a contract to Ferguson Enterprises, Inc., a Long Beach-based business (not an MBE, WBE or SBE) for furnishing and delivering ball valves, in an annual amount not to exceed \$250,000, 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 Ferguson Enterprises, Inc., for furnishing and delivering ball valves used by the Long Beach Gas and Oil Department (LBGO). Ball valves are large diameter pipeline valves, which are specialized pipeline components used by LBGO to safely control the flow of natural gas. LBGO is actively replacing non-operating large diameter valves and removing manhole vaults from the natural gas system. In order to complete various scheduled projects for the next three years, LBGO anticipates increasing its requirements for these valves for large diameter pipeline work.

The bid for ball valves was advertised in the Press-Telegram on November 2, 2011, and 79 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](http://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 Minority-owned Business Enterprises (MBEs), one was a Women-owned Business Enterprise (WBE), one was a certified Small Business Enterprises (SBE), and one was a Long Beach business (Local). Ferguson Enterprises, Inc., of Long Beach, CA (not an MBE, WBE or SBE), 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, six Long Beach vendors were contacted to submit bids, of which two 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 and Budget Management Officer Victoria Bell on January 3, 2012.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-00812 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 \$250,000, 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). The award of this contract will provide continued support to our local economy by assisting in the preservation of five full-time employees residing in Long Beach with employment.

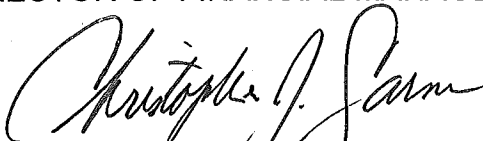
SUGGESTED ACTION:

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