



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-20

333 West Ocean Boulevard 7th Floor • Long Beach, CA 90802 • (562) 570-6200 • Fax (562) 570-5099

September 16, 2014

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. ITB LB14-110 and award contracts to CED Metropolitan Electrical Distributors, of Los Angeles, CA, and Walter's Wholesale Electric Company, of Long Beach, CA, to furnish and deliver as-needed electrical supplies, in an aggregate amount not to exceed \$650,000, and authorize a 10 percent contingency in the amount of \$65,000 for a total aggregate amount not to exceed \$715,000 for a period of two years, 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 annual contracts with CED Metropolitan Electrical Distributors and Walter's Wholesale Electric Company, to furnish and deliver electrical supplies. The City enters into an annual contract for as-needed electrical supplies as part of the ongoing operating expense for facilities maintenance. The contracts combine the estimated requirements Citywide to secure pricing at the highest volume discounts available, based on historical expenditures. Awarding multiple contracts allows the City to purchase supplies at the lowest price per item or item group and it provides alternative sourcing for items that may not be adequately stocked by a single vendor.

The bid was advertised in the Press-Telegram on July 13, 2014, and 2,801 potential bidders specializing in electrical supplies were notified of the bid opportunity. Of those bidders, 43 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. Six bids were received on July 30, 2014. Of those six bidders, two were Women-owned Business Enterprises (WBEs), one was a Minority-owned Business Enterprises (MBEs), two were certified Small Business Enterprises (SBEs), and two were Long Beach businesses (Local). CED Metropolitan Electrical Distributors, of Los Angeles, CA (not an MBE, WBE, SBE or Local), and Walter's Wholesale Electric Company, a Long Beach, CA (Local; not an MBE, WBE or SBE), were the lowest responsible bidders.

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download the bid specifications. Through outreach, 276 Long Beach vendors were notified to submit bids, of which four downloaded and two 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 August 15, 2014 and by Budget Management Officer Victoria Bell on August 19, 2014.

TIMING CONSIDERATIONS

The existing contract for electrical supplies expires on October 1, 2014. City Council action to adopt Specifications No. ITB LB14-110 and award the contracts concurrently on September 16, 2014 will ensure that the contracts are in place expeditiously.

FISCAL IMPACT

The cost of this contract is an amount not to exceed \$715,000 over the contract term, including a recommended 10 percent contingency of \$65,000, and is budgeted in various funds and departments. The award of these contracts will provide continued support to our local economy by assisting in the preservation of employment for 31 full-time employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



**JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT**

JG:JM:AM:LB
K:\Exec\Council Letters\Purchasing\09-16-14 ccl - ITB LB14-110 - Electrical Supplies.docx

APPROVED:



**PATRICK H. WEST
CITY MANAGER**