



January 20, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution authorizing the City Manager to amend the existing agreement with Dresser Roots Meters & Instruments, dba DMD Dresser, to provide rotary-type gas meters and other services and parts in an amount up to \$250,000 annually. The contract is in the first renewal term ending May 1, 2009, with the option for one additional one-year extension period, which will be executed at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to increase the amount of the agreement with Dresser Roots Meters & Instruments (DMD Dresser) to \$250,000 annually. The agreement is necessary for the purchase of various rotary gas meters to be installed by the Long Beach Gas and Oil Department (LBGO) for LBGO residential and industrial customers in Long Beach and Signal Hill. Subsequent to the execution of the existing agreement with DMD Dresser, LBGO has re-initiated its Field Meter Proving Program, which involves the calibration and replacement of out-of-specification meters. During a two-year period, over 1,800 meters will be proved and potentially replaced. Out-of-specification meters tend to run slow, which can lead to incorrect recording and billing of the natural gas commodity. The increase in the authorized amount is necessary to purchase the meters required for the Field Meter Proving Program. The agreement will also provide for annual recertification services and parts for LBGO's field meter prover equipment.

LBGO has utilized DMD Dresser rotary gas meters for the last fifteen years and the majority of LBGO's large commercial customer delivery sites contain DMD Dresser proprietary equipment. LBGO staff is fully trained on the operation, maintenance, and repair of the DMD Dresser gas meters. In order to maintain the standardization of gas meters for the City's large commercial customers, reduce stock requirements for multiple types of equipment, and to avoid additional training requirements for staff, LBGO is requesting to purchase DMD Dresser gas meters without a bid process.

This matter was reviewed by Deputy City Attorney Richard Anthony on December 23, 2008 and by Budget Officer Victoria Bell on December 24, 2008.

TIMING CONSIDERATIONS

City Council approval is requested on January 13, 2009 to authorize the purchase of necessary meter inventory items. The term of the agreement expires on May 1, 2009, with one additional renewal term available with City Manager authorization.

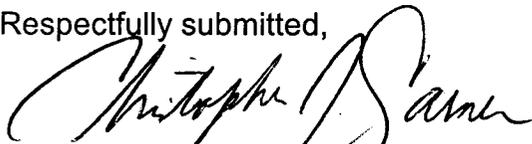
FISCAL IMPACT

The cost of this agreement, in the amount of up to \$250,000 annually, is included in the Gas Fund (EF 301) and in the Long Beach Gas and Oil Department (EN). The cost of the agreement will be recovered through LBGO gas customer rates.

SUGGESTED ACTION:

Approve Recommendation.

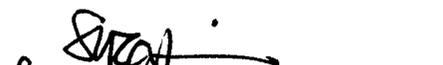
Respectfully submitted,



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

CJG: LHT

APPROVED:


PATRICK H. WEST
CITY MANAGER

1 RESOLUTION NO.

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH AUTHORIZING THE CITY
5 MANAGER TO EXECUTE AN AGREEMENT WITH
6 DRESSER ROOTS METERS & INSTRUMENTS WITHOUT
7 ADVERTISING FOR BIDS FOR FURNISHING DRESSER
8 ROOTS ROTARY-TYPE GAS METERS
9

10 WHEREAS, the Long Beach Gas & Oil Department ("LBGO") requires to
11 purchase rotary-type natural gas meters in order to uphold current customer service and
12 safety standards maintained by LBGO; and

13 WHEREAS, LBGO currently uses Dresser Roots rotary-type gas meters;
14 and

15 WHEREAS, LBGO currently possesses an inventory of replacement parts
16 for such Dresser Roots rotary-type gas meters and LBGO employees are trained to
17 repair and maintain such rotary-type meters; and

18 WHEREAS, Dresser Roots Meters & Instruments is the only dealer
19 authorized to sell Dresser Roots rotary-type gas meters; and

20 WHEREAS, LBGO and Dresser Roots Meters & Instruments currently have
21 an agreement in place to purchase and sell rotary-type gas meters (the "Agreement");
22 and

23 WHEREAS, no useful purpose would be served by advertising for bids for
24 rotary-type gas meters and to do so would constitute an idle and useless act and an
25 unnecessary expenditure of public funds;

26 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
27 follows:

28 Section 1. That the above recitals are true and correct and are

1 incorporated herein.

2 Section 2. The City Manager is hereby authorized to amend the
3 Agreement with Dresser Roots Meters & Instruments for the purchase of rotary-type gas
4 meters to increase the authorized purchase amount to \$250,000 annually.

5 Section 3. This resolution shall take effect immediately upon its adoption
6 by the City Council, and the City Clerk shall certify to the vote adopting this resolution.

7 I hereby certify that the foregoing resolution was adopted by the City
8 Council of the City of Long Beach at its meeting of _____, 20__ by the
9 following vote:

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Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk