



June 6, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute an amendment to Contract No. 34584 with ARB, Inc., of Lake Forest, CA, for as-needed pipeline construction projects, to increase the annual contract amount by \$2,000,000, for a revised annual amount not to exceed \$4,500,000, for a period of two years, with the option of renewing for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

On February 7, 2017, the City Council awarded a contract to ARB, Inc., for as-needed pipeline construction projects in the amount of \$2,500,000 annually for two years, with the option to renew for two additional one-year periods. This contract is to replace and relocate aging steel gas pipelines with plastic gas pipelines. The work addressed priorities identified in Long Beach Gas and Oil's (LBGO) federally-required Distribution Integrity Management Plan, which classifies system weaknesses and specific measures necessary to ensure the safe and efficient delivery of natural gas to LBGO customers.

In the time since the contract award, LBGO has been contacted by various third parties to provide gas service and install plastic pipelines. The amount and timing of work requested by the third parties was unanticipated. The additional work is beyond the scope of the original award and will be reimbursed to the department by the requesting party.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on May 8, 2017 and by Revenue Management Officer Geraldine Alejo on May 3, 2017.

TIMING CONSIDERATIONS

City Council action is requested on June 6, 2017, to allow for the timely response to requests for installation of new natural gas pipelines.

FISCAL IMPACT

The revised annual contract amount will not exceed \$4,500,000. Sufficient funds are budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (GO). The requested increase of \$2,000,000 will be offset through reimbursements from third parties for pipeline installation services. The amendment will provide continued support to our local economy by assisting in the preservation of employment for five full-time employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ROBERT DOWELL
DIRECTOR OF LONG BEACH GAS AND OIL



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER