



February 12, 2013

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Adopt Plans and Specifications No. G-301 for gas pipeline installation and relocation; and, authorize the City Manager to execute a contract with ARB, Inc., in an amount not to exceed \$5,848,440. (Citywide)

**DISCUSSION**

City Council approval is requested to enter into a contract with ARB, Inc., for installation and relocation of gas pipelines in the City of Long Beach. The Long Beach Gas and Oil Department (LBGO) is actively engaged in various infrastructure projects throughout the City to improve the City's natural gas pipeline system. The work scheduled in Plans and Specifications No. G-301 will be done on various streets throughout the city and consists primarily of reconstructing portions of the system for the safe and efficient delivery of natural gas. The recommended work is consistent with the strategic infrastructure plan and will be completed during calendar years 2013 and 2014. The materials and supplies required for the projects will be purchased by LBGO under separate material and supply contracts. These plans and specifications include projects to enhance gas system safety within the city and also to relocate gas pipeline infrastructure within the Port of Long Beach. All work performed in the Port area is being funded by the Port of Long Beach.

The bid was advertised in the Press-Telegram on November 27, 2012, and 1,043 potential bidders specializing in gas pipeline construction were notified of the bid opportunity, including 123 Long Beach businesses. Of those bidders, 44 downloaded the bid via the Purchasing Division's electronic bid system. The bid document was made available from the Purchasing Division, located on the seventh floor of City Hall, the Division's website at [www.longbeach.gov/purchasing](http://www.longbeach.gov/purchasing), and at LBGO offices located at 2400 East Spring Street. 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 December 19, 2012. Of those three bidders, none were Minority-owned Business Enterprises (MBEs), none were Women-owned Business Enterprises (WBEs), none were certified Small Business Enterprises (SBEs), and one was a Long Beach business (Local). ARB, Inc., of Lake Forest, CA (not an MBE, WBE, SBE, or Local), was the lowest responsible bidder. The bid price submitted by ARB, Inc., is below project estimates.

Local Business Outreach:

The City's outreach goal during the bid process is to encourage Long Beach businesses to submit bids for City contracts. The Purchasing Division assisted businesses with registering on the City's Bids Online database to download the bid specifications. Of the Long Beach businesses registered for providing gas pipeline construction, five bids were downloaded by local vendors. However, only one bid was submitted by a Long Beach company, which was not the lowest responsible 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 Richard Anthony on January 14, 2013 and by Budget Management Officer Victoria Bell on January 17, 2013.

TIMING CONSIDERATIONS

City Council action is requested on February 12, 2013, so construction can begin in March 2013, lasting through July 31, 2014.

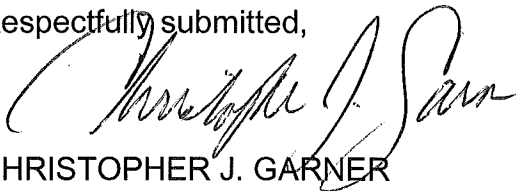
FISCAL IMPACT

The contract award is for an amount not to exceed \$5,848,440. This includes a 15 percent (\$762,840) contingency budget to address unexpected issues uncovered during construction. All materials are purchased directly by LBGO under separate purchase agreements to ensure items meet safety specifications and as a cost saving measure. The required funding is budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (GO). There is no impact to the General Fund associated with this recommendation. The award of this contract will provide continued support to our local economy by assisting in the preservation of four full-time employees residing in Long Beach with employment.

**SUGGESTED ACTION:**

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER  
DIRECTOR OF LONG BEACH GAS AND OIL

APPROVED:

  
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PATRICK H. WEST  
CITY MANAGER