



May 6, 2014

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Plans and Specifications No. ITB GO-14-059 G-320 for pipeline replacement; and authorize the City Manager to execute a contract with ARB, Inc., for a total amount not to exceed \$5,362,963. (Citywide)

DISCUSSION

The Long Beach Gas and Oil Department (LBGO) is requesting approval of plans, specifications, and construction activities identified in bid G-320. The proposed work complies with federal regulations by addressing priorities identified in LBGO's 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 Long Beach, a key system risk relates to sections of pipeline where high numbers of gas leaks occur. This is typically found in older sections of the system (1930-1940), but does also occur in newer sections. Evidence of leaks depends on a number of factors, including construction practices used during installation, pipe specifications, soil conditions, and level of maintenance.

The G-320 specifications identify work proposed for completion during the 2014 calendar year at various locations throughout the city. When complete, the overall system integrity will improve through the replacement of approximately 56,000 feet of aging pipeline, and upgrading about 1,300 service connections to customers. The selected vendor, ARB, Inc., has worked with the City before and is well versed in meeting all federal requirements for pipeline installation contractors.

The bid was advertised in the Press-Telegram on February 14, 2014, and 2,758 potential bidders specializing in pipeline replacement were notified of the bid opportunity. Of those bidders, 67 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, 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. Three bids were received on March 13, 2014. Of those, one was a Minority-owned Business Enterprise (MBE), none were Women-owned Business Enterprises (WBEs), none were certified Small Business Enterprises (SBEs), and none were Long Beach businesses (Local). ARB, Inc., of Lake Forest, CA (not an MBE, WBE, SBE, or Local), was the lowest responsible bidder.

Local Business Outreach:

In an effort to align with the City's 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, 275 Long Beach vendors were notified to submit bids, of which three downloaded; however, none 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 Richard Anthony on April 10, 2014 and by Budget Management Officer Victoria Bell on April 17, 2014.

TIMING CONSIDERATIONS

City Council action to adopt Specification No. ITB GO-14-059 G-320 and award a contract to ARB, Inc., is requested on May 6, 2014, to allow for the timely commencement of this work. Construction is anticipated to begin in May 2014 and be completed by December 1, 2014.

FISCAL IMPACT

The contract award is for an amount not to exceed \$5,362,963 (\$4,663,446 bid price, plus a 15 percent contingency of \$699,517). All materials are purchased directly by LBGO under separate agreements with other vendors to ensure items meet safety specifications. Direct purchasing also provides cost savings. The \$5,362,963 is budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (GO).

ARB, Inc., has agreed to work with LBGO to initiate a local hiring program, giving Long Beach residents the opportunity to work on these projects. The award of this contract will provide continued support to the City's local economy by assisting in the preservation of employment for two full-time employees residing in Long Beach.

HONORABLE MAYOR AND CITY COUNCIL
May 6, 2014
Page 3

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

 FOR CHRISTOPHER J. GARNER

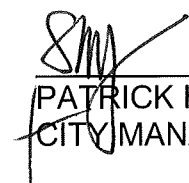
CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

CJG:PSG
CCL 5-6-14.G-320 CONTRACT.DOC

APPROVED:


PATRICK H. WEST
CITY MANAGER