



March 6, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Plans and Specifications No. G-291 for gas pipeline remediation and relocation; and, authorize the City Manager to execute a contract with ARB, Inc., in an amount not to exceed \$4,595,289. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with ARB, Inc., for remediating and relocating 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-291 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 year 2012. 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 December 20, 2011, and 889 potential bidders specializing in gas pipeline construction were notified of the bid opportunity. Of those bidders, 30 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, and at LBGO 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 January 11, 2012. Of those three bidders, none were Minority-owned Business Enterprises (MBEs), Women-owned Business Enterprises (WBEs), or Small Business Enterprises (SBEs), and one is 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.

HONORABLE MAYOR AND CITY COUNCIL

March 6, 2012

Page 2

In accordance with the California Environmental Quality Act, Categorical Exemption Number CE-03-12 has been issued for this project.

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, three 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 item was reviewed by Deputy City Attorney Richard Anthony on February 14, 2012 and by Budget Management Officer Victoria Bell on February 10, 2012.

TIMING CONSIDERATIONS

City Council action to adopt Plans and Specifications No. G-291 and award a contract concurrently is requested on March 6, 2012, so construction can begin in March 2012, lasting through December 31, 2012.

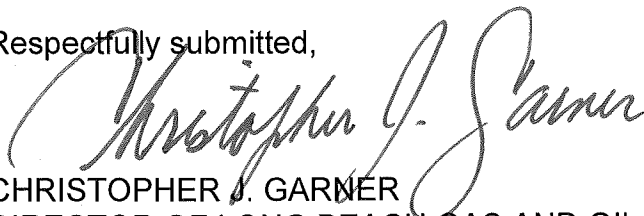
FISCAL IMPACT

The cost of this contract is an amount not to exceed \$4,595,289. This includes a 15 percent (\$599,385) 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:



PATRICK H. WEST
CITY MANAGER