

January 16, 2024

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

Recommendation to adopt Specification No. RFP FM-23-282 and award a contract to MJK Construction, Inc., of Chino, CA, for the removal and replacement of three underground fuel storage tanks located in the City of Long Beach (City) at Fire Stations 13, 14, and 16, in an amount of \$4,039,606, authorize a 15 percent contingency in the amount of \$605,940, for a total contract amount not to exceed \$4,645,546, for a period of five years, at the discretion of the City Manager; and, authorize the City Manager or designee, to execute all documents necessary to enter into the contract, including any necessary subsequent amendments; and,

Increase appropriation in the Fleet Services Fund Group in the Department of Financial Management by \$4,645,546, offset by funds available generated by revenue collected from user departments through the Fleet Memorandum of Understanding. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with MJK Construction, Inc., for the removal and replacement of three underground fuel storage tanks (UST), at Fire Stations 13, 14, and 16. The Fleet Services Bureau (Fleet Services) in the Department of Financial Management is responsible for management of the City of Long Beach's (City) fuel operations program, UST/Aboveground Storage Tank (AST) compliance, and UST/AST maintenance and construction projects. MJK Construction, Inc., the most qualified responsive proposer, provided UST and AST construction services for the City in 2020, successfully removing and replacing two UST fuel systems for AST systems, at the Long Beach Utilities yard.

The USTs at Fire Stations 13, 14, and 16 are at the end of their scheduled, useful life and require replacement to ensure protection against tank failure, which could lead to a fuel spill that may potentially contaminate the soil and groundwater in the area. The UST systems at Fire Stations' 13 and 16 are proposed to be replaced by 1,000-gallon AST systems. AST tanks are safer and more cost-effective for the City due to the nature of their construction and above-ground configuration. Fire Station 14 will be replaced by an updated UST system due to the limited property size, which is not sufficient to accommodate installation of an AST tank. The UST tank will have 12,000-gallon double-walled sumps and will include leak, corrosion, spill, and overflow protection measures. Additionally, the UST tank will provide a larger storage capacity than the AST tanks. The installation of both the AST and UST systems will ensure that the City's Fire Stations 13, 14, and 16 maintain compliance with Federal, State, and local regulations.

The Request for Proposal (RFP) was advertised in the Long Beach Press-Telegram on August 28, 2023, and 318 potential proposers specializing in fuel site construction were notified of the RFP opportunity. Of those proposers, eight downloaded the RFP via the City's electronic bid system. The RFP document was made available from the Purchasing Division, located on the sixth floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 44 local, minority-owned, and women-owned business groups. There were two proposals received on October 10, 2023. Of those two proposers, one was a Minority-owned Business Enterprise (MBE), one was a Women-owned Business Enterprise (WBE), one was a certified Small Business Enterprise (SBE), and none were Long Beach vendors (Local).

The selection committee determined that MJK Construction, Inc., of Chino, CA, (not a MBE, WBE, SBE, or Local) was the most qualified firm to provide the services based on their organizational capacity and experience, method of approach, communications and reporting, and reasonableness of cost.

Local Business Outreach

To align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the procurement database to download RFP specifications. Through outreach, 25 Long Beach vendors were notified to submit proposals, of which one downloaded and none submitted a proposal. 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 Taylor Anderson on December 20, 2023, Acting Labor Compliance Officer Tommy Ryan on December 19, 2023, and by Acting Revenue Management Officer Valerie Valentine on December 26, 2023.

TIMING CONSIDERATIONS

City Council action to adopt Specification No. RFP FM-23-282 and award a contract concurrently is requested on January 16, 2024, to ensure the contract is in place expeditiously.

FISCAL IMPACT

The total cost of the contract to replace three UST fuel tanks will not exceed \$4,645,546, including a 15 percent contingency of \$605,940. An appropriation increase of \$4,645,546 is requested in the Fleet Services Fund Group in the Department of Financial Management to support costs under this contract offset by charges to departments and collected as part of the Fleet Services Memorandum of Understanding (MOU) billing process. If needed, the Department of Financial Management will request subsequent years' appropriation as part of the annual budget process. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with exciting City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

Handwritten signature of Kevin Riper in black ink.

Kevin Riper
Director
Financial Management

APPROVED:

Handwritten signature of Thomas B. Modica in blue ink.

THOMAS B. MODICA
CITY MANAGER