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Meeting

CALENDAR ITEM:

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AWARD OF CONTRACTS,
CRUDE OIL SELL-OFF,
LONG BEACH HARBOR DEPARTMENT
TIDELANDS PARCEL AND PARCEL "A",
WILMINGTON OIL FIELD
LOS ANGELES COUNTY

On March 22, 1984 the Commission approved the specifications and forms for the competitive bid sale by the City of Long Beach of 12 1/2 percent of the crude oil produced and saved from and allocated to the Long Beach Harbor Department Tideland's Parcel and of 12 1/2 percent of the crude oil produced and saved from Parcel "A". The sale involves the following three contracts:

1. One contract for 12 1/2 percent of the crude oil produced and saved from Parcel "A" which is approximately 370 barrels per day of 19° API gravity crude oil.
2. For the crude oil allocated to the Long Beach Harbor Department Tideland's Parcel, one contract for 8 percent of the crude oil which amounts to 800 barrels per day of 18° API gravity crude oil, and one contract for 4 1/2 percent of the crude oil which amounts to 470 barrels per day of 18° API gravity crude oil, totalling 12 1/2 percent of the crude oil allocated to the Long Beach Harbor Department Tideland's Parcel.

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The City has solicited and received bids on all three contracts. The results of the bidding are shown on Exhibit "A". The price to be paid per barrel will be the successful bonus bid plus a base price equal to the highest price posted for like crude oil on the day of delivery in the Wilmington, Long Beach (Signal Hill), Huntington Beach, and Inglewood oil fields among the postings of Chevron, USA, Inc., Mobil Oil Corporation, Union Oil Company of California and ARCO Petroleum Products Company. Each contract will begin on March 1, 1985 and end on September 1, 1986.

Section 10(a) of Chapter 29, Statutes of 1956, First Extraordinary Session, provides that contracts between the City of Long Beach and any other person relating to the disposition of oil from the Long Beach tidelands "shall be made and entered into only with the highest responsible bidder upon competitive bidding and shall be of no effect unless and until approved by the State Lands Commission". The City has determined the highest responsible bidder for each contract and has awarded the respective contracts to these bidders subject to the Commission's approval (see Exhibit "A").

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code. 15378.

AS 884:

N/A.

EXHIBIT:

A. Summary of Bids.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. FIND THAT THE ACTIVITY IS CONSISTANT WITH SECTION 10(a) OF CHAPTER 29, STATUTES OF 1956, FIRST EXTRAORDINARY SESSION, AND APPROVE THE AWARD BY THE CITY OF LONG BEACH OF EACH OF THE THREE CRUDE OIL SALES CONTRACTS FOR THE SELL-OFF OIL FROM THE LONG BEACH HARBOR DEPARTMENT TIDELANDS PARCEL AND PARCEL "A".

EXHIBIT FILE	188
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Exhibit 'A'

Parcel "A" (12 1/2%)

<u>Bidder</u>	<u>Bonus Bid (Per Barrel, Above Base Price)</u>
1. Edgington Oil Company	\$2.123
2. Anchor Refining Company	\$1.47
3. Lunday-Thagard	\$0.811
4. Huntway Refining Company	\$0.43
5. Mock Petrochemical Company	\$0.365
6. Fletcher Oil and Refining Company	\$0.35

LBOD Tidelands Parcel

8% Segment

<u>Bidder</u>	<u>Bonus Bid (Per Barrel, Above Base Price)</u>
1. Crysen Trading and Marketing, Inc.	\$1.765
2. Anchor Refining Company	\$1.47
3. Lunday-Thagard	\$1.011
4. Huntway Refining Company	\$1.01
5. Newhall Refining Company	\$0.44
6. Mock Petrochemical Company	\$0.365
7. Pilot Petroleum Company	\$0.36
8. Fletcher Oil and Refining Company	\$0.35
9. Edgington Oil Company	-No Bid-

4 1/2% Segment

<u>Bidder</u>	<u>Bonus Bid (Per Barrel, Above Base Price)</u>
1. Edgington Oil Company	\$2.323
2. Crysen Trading and Marketing, Inc.	\$1.765
3. Anchor Refining Company	\$1.47
4. Huntway Refining Company	\$1.07
5. Lunday-Thagard	\$0.961
6. Mack Petrochemical Company	\$0.365
7. MacMillan Ring Free Oil Company	\$0.36
8. Fletcher Oil and Refining Company	\$0.35

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The highest responsible bidder for each of these three contracts is as follows:

		<u>Bonus Bid (Per Barrel Above Base Price)</u>
1. Parcel "A":	Edgington Oil Company	\$2.123
2. LBHD (8%):	Crysen Trading and Marketing	\$1.765
3. LBHD (4 1/2%):	Edgington Oil Company	\$2.323