

MINUTE ITEM

This Calendar Item No. 31
was approved as Minute Item
No. 31 by the State Lands
Commission by a vote of 3
to 0 at its 1-21-88
meeting

CALENDAR ITEM

A 57, 58

31

01/21/88

W 12036

W 12037

W 12038

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REQUEST FOR APPROVAL OF AWARD OF CRUDE OIL SALES CONTRACTS
BY CITY OF LONG BEACH, LONG BEACH HARBOR DEPARTMENT
TIDELANDS PARCEL AND PARCEL "A",
WILMINGTON OIL FIELD

On October 21, 1987, the State Lands Commission approved the specifications and forms submitted by the City of Long Beach for the sale of crude oil produced from and allocated to the Long Beach Harbor Department Tidelands Parcel and Parcel "A", Wilmington Oil Field, Los Angeles County.

The Long Beach Harbor Department Tidelands Parcel oil was offered for sale in two separate contracts: an 8% segment which consists of approximately 600 BPD of oil and a 4-1/2% segment which consists of approximately 340 BPD of oil, both of which are 170 API gravity oil. The Parcel "A" oil was offered for sale in another separate contract as a 12-1/2% segment which consists of approximately 200 BPD of oil of 190 API gravity oil.

A Notice Inviting Bids was published in the Wall Street Journal (Western Edition) and The Oil Daily on October 27, 28 and 29, 1987. All three contracts were competitively bid with the bid factor being a bonus per barrel above the Base Price. The Base Price is defined as the highest price posted for like crude oil on the day of delivery in the Wilmington, Long Beach (Sig Hill), Huntington Beach and Inglewood Oil Fields among the postings of Chevron USA, Inc., Mobil Oil Corporation and Shell Oil Company of California. Bids were received and opened on November 12, 1987. The results of the bidding are shown in Exhibit "A".

Fiscal and legal reviews of the submitted bid material were done by the Long Beach City Auditor's office and the City Attorney's office as well as by the SLC Auditing and Legal Units. Based on the results of these reviews, the highest responsible bidder for each contract is identified on Exhibit "A".

The contracts, if awarded, will be for a term of eight months beginning on June 1, 1988 and ending on February 1, 1989.

Staff recommends the awarding of the contracts to the highest responsible bidders identified on Exhibit "A" for the period beginning on June 1, 1988 until February 1, 1989.

AB 884: N/A.

EXHIBIT: A. Results of Bidding.

OTHER PERTINENT INFORMATION:

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 CEQA because it is not a "project" as defined by CEQA Guidelines (Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378).

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. APPROVE THE AWARD OF THE CRUDE OIL SALES CONTRACTS BY THE CITY OF LONG BEACH TO THE HIGHEST RESPONSIBLE BIDDERS IDENTIFIED ON EXHIBIT "A" FOR THE PERIOD OF JUNE 1, 1988 UNTIL FEBRUARY 1, 1989.

EXHIBIT "A"

Bid Opening
Long Beach Harbor Department
Tidelands Parcel and Parcel "A"
Wilmington Oil Field, Los Angeles County

November 12, 1987

11:00 A.M.

Long Beach Harbor Department
Tidelands Parcel
(8% Segment)

<u>Bidder</u>	<u>Bonus Bid</u> <u>(Per Barrel, Above Base Price)</u>
1. Edgington Oil Company	\$0.4633
2. Witco Corporation	\$0.461
3. Caljet, Inc.	\$0.3989

The highest responsible bidder is Edgington Oil Company.

Long Beach Harbor Department
Tidelands Parcel
(4 1/2% Segment)

<u>Bidder</u>	<u>Bonus Bid</u> <u>(Per Barrel, Above Base Price)</u>
1. Edgington Oil Company	\$0.4633
2. Witco Corporation	\$0.411
3. Caljet, Inc.	\$0.3895

The highest responsible bidder is Edgington Oil Company.

Parcel "A"
(12 1/2% Segment)

<u>Bidder</u>	<u>Bonus Bid</u> <u>(Per Barrel, Above Base Price)</u>
1. Edgington Oil Company	\$0.251
2. Caljet, Inc.	\$0.2559

The highest responsible bidder is Caljet, Inc.

CALENDAR PAGE	201
MINUTE PAGE	262