MINUTE ITEM
This Calendar Item No. C53 was approved as Minute Item No. 53 by the California State Lands Commission by a vote of 3 to 0 at its 12-16-02 meeting.

CALENDAR ITEM
C53

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Statewide

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12/16/02
Bid Log 2002-07
W30141, RA# 20601
K. Walker, D. Brown, A. Cueva

REQUEST AUTHORITY FOR EXECUTIVE OFFICER TO SOLICIT PROPOSALS, NEGOTIATE FAIR AND REASONABLE PRICE, AWARD AND EXECUTE AGREEMENT FOR PREPARATION OF ENVIRONMENTAL DOCUMENTATION FOR THE PROPOSED CONVERSION OF A CRUDE OIL PIPELINE TO NATURAL GAS TRANSMISSION, EXTENDING FROM EHRENBURG, LA PAZ COUNTY, ARIZONA, TO EMIDIO, KERN COUNTY, CALIFORNIA

PARTY:

California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825-8202

BACKGROUND:

The proposed project involves the conversion and operation of a 30-inch steel crude oil pipeline extending 303 miles from the existing compressor station in La Paz County, Arizona to the existing El Paso station at Emidio, in Kern County, California. El Paso is the lessee of State Leases PRC 7527.2 and 6783.1. These leases were originally issued to Plains All American Pipeline, LP. The original pipeline was constructed to transport crude oil from California offshore leases to Texas for refining. The total lease was assigned to El Paso Pipeline Company, a subsidiary of El Paso Natural Gas Company.

PROPOSED ACTIVITY:

Internal cleaning of the pipeline has been completed. El Paso plans to install and/or replace approximately 5,000 feet of pipeline in several small sections where the pipe has suffered some damage. El Paso also wishes to relocate approximately 3,400 feet of pipeline at three fault crossings to improve separation from other adjacent gas pipelines. This will consist of one change of 1,800 feet and two changes of approximately 800 feet each.

The conversion will also entail three pipeline tie-ins, the removal of 9 mainline valves, 11 vent valves and 5 pig signals, the installation of 19 new valves, and the inspection and rewrapping of worn or pitted pipe wrap. El Paso will also hydrostatically test the pipeline in segments prior to operations in order to ensure the integrity of the pipeline. With the exception of the three pipeline tie-in locations, all construction activities, approximately 110 total, will take place within the original 100-foot construction corridor. Most activities will require approximately 300 feet in length for disturbance. At each location the trench will be excavated using backhoes and trenching equipment down to the pipeline. Depending on the operation at that location various types of cutting and welding equipment would be used. The trench would then be backfilled and the disturbed area restored.

The Commission will act as Lead Agency under the California Environmental Quality Act and prepare an Environmental Impact Report (EIR) for this project. The Federal Bureau of Land Management (BLM) will act as the Federal Lead Agency under the National Environmental Protection Act and will prepare an Environmental Assessment (EA) for this project. A consultant will be selected to prepare the EIR/EA document under the direction of Commission and BLM staff.

Consultant selection will be conducted consistent with procedures as specified in CSLC Regulations and in the State Contracting Manual on the basis of demonstrated competence and qualifications for the types of services to be performed and at a fair and reasonable price. All costs will be recovered from the project applicant.

STATUTORY AND OTHER REFERENCES:

A. Public Resources Code Section 6106 (Delegation to execute written instruments)
B. State Contracts Manual Section 11.00 (A & E method)
C. Public Contract Code Section 6106
D. Government Code Section 4526
E. California Administrative Code Title 2 Article 13 Section 2980.0 - 2990.0

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THESE ACTIVITIES ARE EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO 14 CAL CODE REGS. 15061 BECAUSE THESE ACTIVITIES ARE NOT PROJECTS AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL CODE REGS. 15378.

2. FIND THAT THE SELECTION OF CONSULTANT UNDER THIS PROCESS DOES NOT AFFECT SMALL BUSINESSES AS DEFINED IN GOVERNMENT CODE SECTION 11342, SUB. (H), BECAUSE THEY

WILL BE ACCORDED EQUAL OPPORTUNITY TO SUBMIT STATEMENTS OF QUALIFICATIONS AND PERFORMANCE DATA.

3. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO SOLICIT PROPOSALS, NEGOTIATE FAIR AND REASONABLE PRICE, AWARD AND EXECUTE CONTRACT IN ACCORDANCE WITH STATE POLICIES AND PROCEDURES.

4. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO ENTER INTO AN AGREEMENT WITH PROJECT APPLICANT TO RECOVER ALL STATE COSTS INCURRED IN THE CONSIDERATION OF THIS PROJECT.