MINUTE ITEM

This Calendar Item No. C55 was approved as Minute Item No. 55 by the California State Lands Commission by a vote of 3 to 0 at its 10/20/03 meeting.

CALENDAR ITEM
C55

A 11

S 7

10/20/03
Bid Log 2003-12
WP4908; Lease PRC4980.1; W9777.16; W30068.16S
D. Brown, A. Cueva, V. Van Way

REQUEST AUTHORITY FOR EXECUTIVE OFFICER TO SOLICIT PROPOSALS FOR CONSULTANT SERVICES, NEGOTIATE FAIR AND REASONABLE PRICE, AWARD AND EXECUTE NECESSARY AGREEMENTS FOR THE PREPARATION OF ENVIRONMENTAL DOCUMENTATION FOR THE FUTURE CONSIDERATION OF A PROPOSED 30-YEAR LEASE OF THE EXISTING SHELL MARINE OIL TERMINAL BY SHELL OIL PRODUCTS, US, CITY OF MARTINEZ, CONTRA COSTA COUNTY

PARTY:

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

BACKGROUND:

Shell Oil Products, US (Shell), operates the marine oil terminal located on the south side of Carquinez Strait, about ½ mile west of the Benicia-Martinez Bridge in the City of Martinez, Contra Costa County. Shell leases 19.26 acres of public land as the marine terminal -- a barge and tanker petroleum loading/unloading facility. Shell's refinery operations use 850 acres of privately owned on-land (upland) property immediately south of the wharf.

The CSLC first issued a lease for the existing marine oil terminal to Shell Oil Company in 1948. The lease has been amended and renewed several times, and assigned to various Shell entities all by mutual consent of the CSLC and Shell. Recently the CSLC received a complete application from Shell for a new 30-year lease of sovereign public lands for its existing oil terminal.

PROPOSED ACTIVITY:

The Shell wharf and refinery have occupied the current location since 1915, transferring and processing crude oil and petroleum products, and are capable of operating year-round 24 hours a day.

In March 2003, Shell and CSLC mutually agreed to consider a new lease that would govern operations at the existing marine oil terminal for the next 30 years.

Consideration of such an action will require environmental documentation, including monitoring. The CSLC, pursuant to the California Environmental Quality Act (CEQA), will be the State lead agency. The Executive Officer requests delegation of authority to engage a consultant for this purpose.

Consultant selection shall 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 shall be recovered from project applicant.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, Section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

   Authority: Public Resources Code Section 21065 and Title 14, California Code of Regulations, Sections 15060(c)(3) and 15378.

2. Approval of this item by the Commission does not constitute approval of the proposed lease; it only authorizes consultant contracts for environmental review.

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. 15060(c)(3) 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 CONSULTANTS 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. FIND THAT THE SELECTION OF CONSULTANTS UNDER THIS PROCESS FOR PROFESSIONAL SERVICES OF ARCHITECTURAL, LANDSCAPE ARCHITECTURAL, ENGINEERING, ENVIRONMENTAL, LAND SURVEYING OR CONSTRUCTION PROJECT MANAGEMENT SERVICES WILL BE CONSISTENT WITH PROCEDURES AND POLICIES ADOPTED BY THE COMMISSION AS SPECIFIED IN GOVERNMENT CODE SECTION 4526 AND TITLE 2, CALIFORNIA CODE OF REGULATIONS 2980 –2980.9.

4. 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.

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