



March 6, 2007

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Authorize the City Manager to execute an agreement with Southern California Gas Company to provide utility-related services to the Long Beach Gas & Oil Department for a one-year term with up to four one-year renewal terms. (Citywide)

**DISCUSSION**

On March 19, 2002, the City Council authorized the City Manager to execute a five-year agreement with Southern California Gas Company (SoCalGas) to provide utility-related services to the Long Beach Gas & Oil Department (LBGO). Under this agreement, LBGO was able to augment services provided by its own personnel including training, meter repairs and marketing consulting. The aforementioned agreement will terminate on March 31, 2007.

LBGO found the services provided by SoCalGas under the previous five-year agreement to be a cost-effective supplement to Department operations. LBGO wishes to continue the program for five additional years and will utilize the agreement primarily to enhance employee utility-related training.

The new agreement requires the City to pay a retainer of \$30,000 to use any of the aforementioned services for the first year. The retainer decreases to \$25,000 in the second year and \$20,000 in each of the last three (3) subsequent renewal terms. It is anticipated that, based upon current needs, personnel training alone will meet the annual retainers; the City will be billed for any services used beyond the retainer amount for each given year of the agreement.

The services offered by SoCalGas are meant solely as a means of supplementing, not replacing, any such service currently provided by LBGO.

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This matter was reviewed by Deputy City Attorney Richard Anthony and Budget and Performance Management Bureau Manager David Wodynski on February 23, 2007.

TIMING CONSIDERATIONS

The current Service Agreement will expire March 31, 2007. City Council approval is requested on March 6, 2007 to enter into a new Agreement prior to the expiration of the previous agreement.

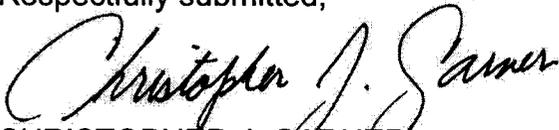
FISCAL IMPACT

The estimated cost of the new agreement is \$30,000 in FY 07 and is budgeted in the Gas Fund (EF 301) and the Long Beach Gas & Oil Department (EN).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER  
DIRECTOR OF LONG BEACH GAS & OIL

CJG: JC: jt  
CCL SoCalGasAncillary Agreement 03 06 07

APPROVED:



GERALD R. MILLER  
CITY MANAGER