

CHRISTOPHER J. GARNER
DIRECTOR

May 3, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California**RECOMMENDATION:**

Authorize the City Manager to renew the agreements (MOU's) with the California Department of Justice and U.S. Customs and Border Protection for a period of one year, with an option to renew for two additional years with City Manager approval, to continue their contracts for Law Enforcement Incineration of Controlled Substances at the Southeast Resource Recovery Facility (SERRF) as was agreed upon with the establishment of annual fees for this purpose approved by City Council on May 21, 2002.

DISCUSSION

Law enforcement agencies have determined that incineration is the most economical, legally feasible and, from a technological standpoint, the best method of destroying seized drugs that are no longer needed for legal proceedings. Currently, SERRF is one of two commercial incinerators within California permitted to burn controlled substances.

Due to its size, location, and adaptability to security, California's Attorney General requested the use of SERRF for the destruction of drugs seized by any law enforcement agency in California. Under an agreement approved by the City Council on May 21, 2002 for the period July 2002 through June 2005, SERRF has burned 1,250,000 pounds of controlled substances delivered by U.S. Customs and Border Protection and State and local law enforcement agencies.

It is proposed that these two separate agreements be extended another year through a contract from July 2005 through June 2006 (with a two-year renewal option) for the destruction of narcotics at SERRF: one with the California Department of Justice and another with the U.S. Customs and Border Protection. To keep administrative costs to a minimum, the City will bill flat rate billings of \$12,000 and \$75,000, respectively. The fee to the U. S. Customs and Border Protection is being increased from \$45,000 per year to \$75,000 per year, as U. S. Customs and Border Protection bring the majority of the controlled substances incinerated at SERRF.

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This matter was reviewed by Deputy City Attorney Lisa Peskay Malmsten on April 11, 2005 and by Budget Management David Wodynski on April 8, 2005.

TIMING CONSIDERATIONS

City Council action on this matter is requested on May 3, 2005, to ensure a contract is in place before the current contract expires.

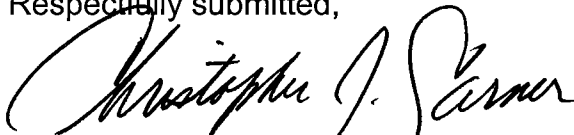
FISCAL IMPACT

The \$87,000 revenue generated from the agreements will be deposited in the SERRF Enterprise Fund (EF 331) and in the Long Beach Energy Department (EN). This revenue will be received during FY 06 and will, therefore, be included in the Proposed FY 06 Budget.

SUGGESTED ACTION:

Approve recommendation.

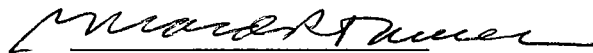
Respectfully submitted,



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH ENERGY AND OIL PROPERTIES

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APPROVED:



GERALD R. MILLER
CITY MANAGER