



March 11, 2008

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

It is recommended that the City Council request the City Attorney to prepare and authorize the City Manager to execute an amendment to the Southeast Resource Recovery Facility (SERRF) Operations and Maintenance Agreement #23336 with Montenay Pacific Power Corporation, now known as Veolia ES Long Beach Corporation. This amendment will allow for the installation of a detonation boiler cleaning system at a cost to the contractor of approximately \$2.4 million, the extension of the Agreement term by approximately six years, and the recognition of the contractor's name change from Montenay Pacific Power Corporation to Veolia ES Long Beach Corporation. (District 2)

**DISCUSSION**

On March 1, 1994, the City Council authorized a contract with Montenay Pacific Power Corporation to provide for the operation and maintenance of the SERRF plant. The operator is experienced in the operation of waste-to-energy facilities generally and the operation and maintenance of the SERRF facility in particular. The operator has provided specialized professional, technical and scientific service to the City under the current agreement.

This proposed amendment will allow for efficient and continuous operation of the SERRF facility for the remainder of the Southern California Edison (SCE) energy agreement and the remaining term of the facility debt obligations. In consideration of this extension, the contractor has agreed to install a detonation boiler cleaning system at a cost of approximately \$2.4 million, improving efficiency and facility safety. Finally, the amendment will recognize Montenay Pacific's name change to Veolia ES Long Beach Corporation. There is no change to principals or personnel performing contract work.

This matter was reviewed by Deputy City Attorney Amy Burton on February 6, 2008 and by Budget Management Officer Victoria Bell on February 8, 2008.

HONORABLE MAYOR AND CITY COUNCIL  
March 11, 2008  
Page 2

TIMING CONSIDERATIONS

City Council action on this matter is not time critical.

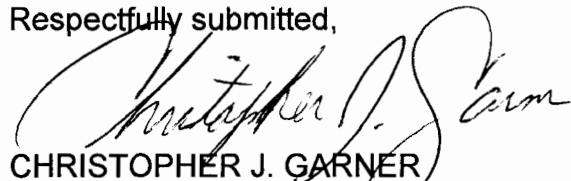
FISCAL IMPACT

Since the contractor has agreed to install and operate the new boiler cleaning system in consideration for the contract extension, City Council actions are neutral relative to costs. However, it should be recognized that this cleaning system will improve facility efficiency and availability, which will result in improved facility operation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER  
DIRECTOR OF LONG BEACH GAS AND OIL

CRT:MT  
T:/CITYCOUNCIL\_/MARCH 11\_08 COUNCILLTR OM #23336 AMEND

APPROVED:



PATRICK H. WEST  
CITY MANAGER