



# CITY OF LONG BEACH

DEPARTMENT OF OIL PROPERTIES

**C-5**

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July 13, 2004

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

SUBJECT: Agreement for Provision of Oil Spill Response Resources With National Response Corporation (District 2)

## DISCUSSION

Since 1990, the federal Oil Pollution Act has required the City of Long Beach, as Unit Operator for the Fault Block Units and the Long Beach Unit, to contract with a licensed Oil Spill Recovery Organization (OSRO). The City's former OSRO representative, Clean Coastal Waters, Inc. (CCW), was merged into Marine Spill Recovery Corporation (MSRC) on July 1, 2004. Prior to this merger, MSRC notified the City that the City's annual cost for OSRO compliance would approximately quadruple, from \$45,000 to \$165,000, after the merger date. Recently, another licensed OSRO, National Response Corporation (NRC), offered the subject Agreement to the City in the interest of replacing CCW/MSRC. NRC submitted an annual cost of services of \$67,000, subject to annual Consumer Price Index increases in the second through fifth years. NRC will provide coverage services comparable to those of MSRC with the additional benefit of berthing a fast response vessel in the Downtown Marina, a service not previously provided by CCW. NRC also recently purchased another local OSRO, Foss Environmental Services, which has maintained offices, staff, facilities, and equipment in Long Beach for many years.

This matter has been reviewed by Deputy City Attorney J. Charles Parkin and Budget Management Officer David Wodynski on June 28, 2004.

## TIMING CONSIDERATIONS

City Council action on this matter is requested on July 13, 2004, since the current contract with CCW expired on July 1, 2004. On June 16, 2004, NRC issued an interim letter in which they will provide OSRO compliance coverage for the City's Tidelands trust properties through July 20, 2004. If approved, the agreement with NRC would commence July 1, 2004.

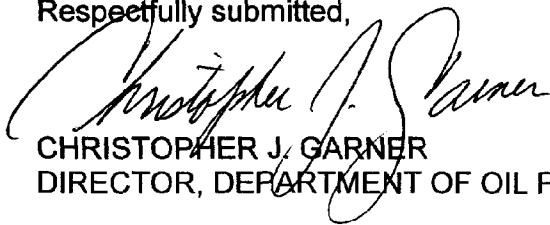
FISCAL IMPACT

The contract amount of \$67,000, subject to annual Consumer Price Increases in the second through fifth years, will be funded out of the Tidelands Oil Revenue Fund (NX420) in the Department of Oil Properties.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute an agreement effective July 1, 2004, and any subsequent amendments with National Response Corporation to provide spill recovery services for a period of five (5) years and thereafter for successive periods of one year unless terminated by either party upon notice to the other party ninety (90) days or more before the next renewal date.

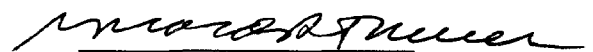
Respectfully submitted,



CHRISTOPHER J. GARNER  
DIRECTOR, DEPARTMENT OF OIL PROPERTIES

CJG:tah

APPROVED:



GERALD R. MILLER  
CITY MANAGER