



A DEPARTMENT OF THE CITY OF LONG BEACH

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CHRISTOPHER J. GARNER
DIRECTOR

July 6, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Resolution Authorizing an Agreement With the California State Lands Commission to Provide Utility-Related Services to the Long Beach Energy Department for Removal of the Bolsa Chica Wetlands Pipeline (Orange County)

DISCUSSION

The Bolsa Chica natural gas pipeline (Line 1228) is owned by the City of Long Beach and is currently routed through the Bolsa Chica Wetlands in Huntington Beach between Rattlesnake Road to the north and Road 70 to the south (Orange County). Line 1228 is an unregulated natural gas pipeline and leased by the City to the Southern California Gas Company under a 25-year lease agreement (No. 22889) ending in 2018. The Wetlands are under the jurisdiction of the California State Lands Commission (CSLC), which can require the City to remove and relocate the pipeline. Because the Wetlands are being restored, CSLC issued an order to the City to remove and relocate the pipeline by October 2004. On behalf of the City, CSLC will perform the work of removing the to-be vacated natural gas line.

This agreement requires that the City pay to CSLC an estimated fee of \$284,000 to perform a scope of services identified below:

- Remove all existing underground and above grade natural gas pipeline and all associated supports within the Project's proposed Full Tidal Area.
- Remove an 85-foot long pipe span and associated structures.
- Dispose of all material at an offsite location according to all applicable local, state, and federal laws.
- Grade the removal area to the Restoration Project's design elevations.
- Review new pipeline design for conformance with State criteria. Verify new pipeline design and specifications are in conformance with State criteria. Obtain design input from Aera Energy.
- Prepare a work plan to establish goals and tasks that will ensure that the work will be performed under this Agreement.
- Provide all technical and administrative services as needed for contract completion; monitor, supervise and review all work performed; and coordinate budgeting and scheduling to assure that the work is completed within budget, on schedule, and in accordance with approved procedures, applicable laws, and regulations.
- Provide quarterly progress reports to the City's Project Manager. The progress reports shall describe the activities undertaken and accomplishments of each task during the quarter, milestones achieved, expenditures to date and any problems in the performance of the work under this Agreement.

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- Provide to the City Manager's Project Manager within 90 days of the conclusion of the work performed, a Final Report, detailing all expenditures made pursuant to the Agreement.

This matter was reviewed by Senior Deputy City Attorney Donna Gwin on June 23, 2004 and Budget Management Officer David Wodynski on June 28, 2004.

TIMING CONSIDERATIONS

Council action on this item is requested on July 6, 2004, as it is anticipated that the California State Lands Commission (CLSC) will begin work on or about July 15, 2004, and will complete the Bolsa Chica Wetlands natural gas line 1228 Pipe Relocation and Removal Project on or about October 1, 2004. The CLSC is in the process of performing extensive restoration of the Wetlands, far above the removal of the City's pipeline, and has already obtained environmental permits and has contractors on site. Therefore, contracting with CLSC permits the City to avoid the additional expense and time of obtaining the necessary permits and construction resources associated with the removal of the pipeline. As this agreement is with another governmental agency, competitive bidding is not required.

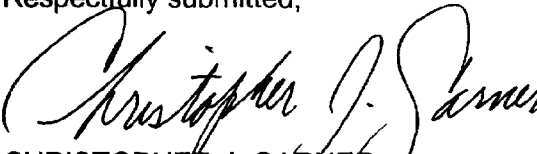
FISCAL IMPACT

Funds have been budgeted to support expenditures associated with the proposed agreement in the Gas Fund (EF 301) in the Long Beach Energy Department (EN). The original contract with Southern California Gas is for a time and material contract to remove the old pipeline and replace with a new natural gas pipeline. The California State Lands Commission fixed price for removal is taken from the engineering cost estimate for the original job.

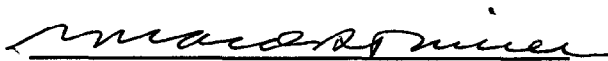
IT IS RECOMMENDED THAT THE CITY COUNCIL:

Adopt the resolution authorizing the City Manager to execute an agreement with the California State Lands Commission to provide utility-related services to the Long Beach Energy Department in order to effectuate the Bolsa Chica Wetlands natural gas Line 1228 Pipe Relocation and Removal Project as mandated by the State of California.

Respectfully submitted,


CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH ENERGY

APPROVED:


GERALD R. MILLER
CITY MANAGER