

MINUTE ITEM

This Calendar Item No. C113 was approved as Minute Item No. 113 by the California State Lands Commission by a vote of 3 to 0 at its 12/16/98 meeting.

**CALENDAR ITEM
C113**

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12/16/98

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C98023

D. Brown

J. Planck

**REQUEST DELEGATION OF AUTHORITY FOR EXECUTIVE OFFICER
TO AWARD AND EXECUTE SOLE SOURCE AGREEMENT
FOR REMOVAL OF SEA FLOOR HAZARDS IN SANTA BARBARA CHANNEL**

PARTY:

California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825

PROPOSED ACTIVITY:

Executive Officer requests delegation of authority to execute a sole source contract for removal of sea floor hazards in the Santa Barbara Channel. The Commission staff have been overseeing an extensive project by seven oil companies in an effort to remove sub-sea debris and properly abandon core holes on their respective leases. The project has been an astounding success with several million dollars worth of sea floor cleanup having been performed. Forty-two sea floor targets were initially identified and forty-one have been either rehabilitated or removed at a cost of over \$2,000,000 to the companies.

The Commission staff has been successful in identifying a responsible party for all but one of the targets. That target will be the responsibility of the Commission to remove. Funding remains from a grant from the California Environmental Protection Agency. The grant was primarily used to perform side-scan sonar surveys to identify the targets. Any surplus funding was to be used for debris removal. The Department of Conservation has also agreed to fund half the cost from their well abandonment funds.

The current contractor for the oil companies, Fairweather E&P Services, has consented to remove the remaining hazard. The estimated cost is \$70,000. The vessel to be used has been outfitted with a complement of equipment for this specific type of work. Staff proposes a sole source contract to Fairweather for this work.

Sole source contracts entered into by the California State Lands Commission are subject to approval by the Secretary of the Resources Agency and the Department of General Services. Further they must be approved as being in the best interests of the State.

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Staff believes that a sole source contract is in the best interests of the State in this instance because of the great savings to be had in the reduction of mobilization and demobilization costs associated with the project. Fairweather E&P Services is already on site and no additional mobilization costs will need to be expended. Absent a contract with Fairweather, staff believes that another vessel would have to be brought to California from the Gulf of Mexico at a cost of over \$300,000. Thus, staff estimates there would be a savings of that amount.

Staff has submitted a proposal to the Resources Agency and the Department of General Services for their approval. After approval has been obtained, staff will execute the contract and have the removal work done. Authorization to execute the contract contingent upon other required agency approvals is requested.

OTHER PERTINENT INFORMATION

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA under the general rule that the CEQA applies only to projects which have the potential for causing a significant effect on the environment. The staff believes, based on the information available to it, that there is no possibility that this project may have a significant effect on the environment.

Authority: Title 14, California Code of Regulations, section 15061 (b) (3)

This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

Authority: Public Resources Code section 21080 (b) (3) and Title 14, California Code of Regulations, section 15269 (a).

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code section 6106 (Delegation to execute written instruments)
- B. Public Contract Code section 10295 et. seq. (Public Works Contracts)
- C. State Administrative Manual Section 1200 (Contracts)

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS,

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SECTION 15061 BECAUSE THERE IS NO POSSIBILITY THAT THE ACTIVITY MAY HAVE A SIGNIFICANT ON THE ENVIRONMENT; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 (b) (3).

2. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.
3. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO AWARD AND EXECUTE CONTRACT IN ACCORDANCE WITH THE REQUIREMENTS OF THE PUBLIC CONTRACTS CODE AND CURRENT STATE POLICIES AND PROCEDURES.