

MINUTE ITEM

This Calendar Item No. C63 was approved as
Minute Item No. 63 by the California State Lands
Commission by a vote of 3 to 0 at its
9-17-01 meeting.

**CALENDAR ITEM
C63**

A	Statewide	09/17/01 Bid Log 2001-09 WP4769.1
S		D. Brown A. Cueva

**REQUEST AUTHORITY FOR EXECUTIVE OFFICER
TO SOLICIT PROPOSALS, NEGOTIATE FAIR AND REASONABLE PRICE, AWARD
AND EXECUTE AGREEMENT FOR PREPARATION OF ENVIRONMENTAL
DOCUMENTATION FOR THE PROPOSED TEN YEAR RENEWAL OF THE MARINE
TERMINAL LEASE OF SHORE TERMINALS, LLC, WITHIN THE CITY OF MARTINEZ**

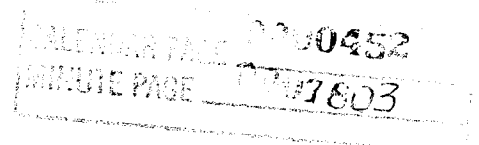
PARTY:

California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825-8202

BACKGROUND:

Shore Terminals is an independent, privately owned trans-shipper of crude oil and petroleum products. Shore Terminals operates the Marine Terminal and Storage Facilities in an industrial area of the City of Martinez east of Interstate 680. The two facilities occupy 235 acres, of which the marine terminal occupies 5.04 acres. The upland facilities are on private land, while the Marine Terminal is on public land leased from the California State Lands Commission (CSLC). The Shore Terminals upland property contains storage tanks, a truck loading rack, rail spur, pumps and associated pipelines, vapor collection and combustion systems and an office building.

The marine terminal itself is located on public land north of the facility. The wharf is a single-vessel docking facility with associated pumps, pipelines, electric utilities and other mechanical equipment. The CSLC originally leased the parcel, as PRC 4769.1, to Urich Oil Company. The lease has been amended several times by mutual consent of the Commission and then-lessee. Wickland Oil Company accepted assignment of the lease from Martinez Terminals Limited in August 1991, and assigned its interests to Shore Terminals LLC, in November, 1998.



CALENDAR ITEM NO. **C63** (CONT'D)

PROPOSED ACTIVITY:

The lease Wickland accepted was for an initial term of 25 years with provisions for two optional renewals for 10 years each. As successor, Shore Terminals has notified the CSLC that it wishes to exercise its option to renew its lease for an additional 10-year term lease. Consideration of such an action will require environmental documentation in accordance with the California Environmental Quality Act. Staff proposes to engage a consultant for this purpose.

Consultant selection shall be conducted consistent with procedures as specified in CSLC Regulations and in the State Contracting Manual on the basis of demonstrated competence and qualifications for the types of services to be performed and at a fair and reasonable price. All costs shall be recovered from project applicant.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code Section 6106 (Delegation to execute written instruments)
- B. State Contracts Manual Section 11.00 (A & E method)
- C. Public Contract Code Section 6106
- D. Government Code Section 4526
- E. California Administrative Code Title 2 Article 13 Section 2980.0 - 2990.0

IT IS RECOMMENDED THAT THE COMMISSION:

- 1. FIND THAT THESE ACTIVITIES ARE EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO 14 CAL CODE REGS. BECAUSE THESE ACTIVITIES ARE NOT PROJECTS AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL CODE REGS. 15378.
- 2. FIND THAT THE SELECTION OF CONSULTANT UNDER THIS PROCESS DOES NOT AFFECT SMALL BUSINESSES AS DEFINED IN GOVERNMENT CODE SECTION 11342, SUB. (H), BECAUSE THEY WILL BE ACCORDED EQUAL OPPORTUNITY TO SUBMIT STATEMENTS OF QUALIFICATIONS AND PERFORMANCE DATA.
- 3. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO SOLICIT PROPOSALS, NEGOTIATE FAIR AND REASONABLE PRICE, AWARD AND EXECUTE CONTRACT IN ACCORDANCE WITH STATE POLICIES AND PROCEDURES.
- 4. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO ENTER INTO AN AGREEMENT WITH PROJECT APPLICANT TO RECOVER COSTS INCURRED IN THE CONSIDERATION OF THIS PROJECT.