

This Calendar Item No. C52 was approved as Minute Item No. 52 by the California State Lands Commission by a vote of 3 to 1 at its 10/20/03 meeting.

**CALENDAR ITEM
C52**

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10/20/03

Bid Log 2003-08

W 25941, W30151

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D. Brown, A. Cueva, C. Oggins

**REQUEST AUTHORITY FOR EXECUTIVE OFFICER
TO SOLICIT PROPOSALS FOR CONSULTANT SERVICES, NEGOTIATE FAIR AND
REASONABLE PRICE, AWARD AND EXECUTE NECESSARY AGREEMENTS TO
PREPARE THE ENVIRONMENTAL DOCUMENTATION REQUIRED FOR THE
FUTURE CONSIDERATION OF THE PROPOSED BHP BILLITON CABRILLO PORT
LIQUEFIED NATURAL GAS IMPORT TERMINAL AND ASSOCIATED OFFSHORE
AND ONSHORE FACILITIES**

PARTY:

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

BACKGROUND:

On September 3, 2003, the California State Lands Commission (CSLC) and U.S. Coast Guard (USCG) received an application from BHP Billiton (BHPB) for the proposed "Cabrillo Port"—an offshore terminal for the receipt, storage, and regasification of Liquefied Natural Gas (LNG)—plus related offshore and onshore facilities. The CSLC will be the State lead agency pursuant to the California Environmental Quality Act (CEQA); the USCG will be the federal lead agency pursuant to the National Environmental Policy Act (NEPA) and in accordance with the Maritime Transportation Security Act of 2002, which amended the Deepwater Port Act of 1974 (33 USC §§ 1501-1524).

As proposed, the project would consist of: (1) a Floating, Storage, and Re-gasification Unit (FSRU) located at a 2,900-foot water depth in federal waters, 13.9 miles offshore of Ventura County, between the cities of Oxnard and Port Hueneme; (2) a 21.75-mile long (21.1 miles offshore and 0.65 miles onshore), 30-inch diameter natural gas pipeline that will tie-in to existing onshore Southern California Gas (SoCalGas) facilities; and (3) a pipeline termination tie-in station consisting of a metering station, pig launcher/receiver, and odorant station. The pipeline from the FSRU will reach shore underground, as it will be buried, using horizontal directional drilling (HDD) technology, from approximately 3,000 feet (0.6 miles) offshore to an area approximately 1,600 feet (0.3 miles) inland. A

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related project is the proposed construction by SoCalGas of new onshore natural gas pipelines within existing rights-of-way, including, but not necessarily limited to, a 34-inch diameter, 12-mile long loop of Line 324 from the tie-in station to the SoCalGas facility at Center Road Station.

PROPOSED ACTIVITY:

Consideration of a proposed pipeline on State Lands as part of an offshore LNG Import Terminal will require environmental documentation, including monitoring, in accordance with the CEQA. The Executive Officer requests delegation of authority 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 the project applicant.

The Executive Officer also requests delegation of authority to enter into Memoranda of Agreement (MOAs), Memoranda of Understanding (MOUs), or other interagency agreements with the USCG and other applicable federal, State, and local agencies to govern how the joint environmental documentation is prepared by the CSLC and the USCG.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060 (c)(3) and 15378.

2. Approval of this item by the Commission does not constitute approval of the proposed lease; it only authorizes consultant contracts for environmental review.

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

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IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THESE ACTIVITIES ARE EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO 14 CAL CODE REGS. 15060(c)(3) 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 CONSULTANTS 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. FIND THAT THE SELECTION OF CONSULTANTS UNDER THIS PROCESS FOR PROFESSIONAL SERVICES OF ARCHITECTURAL, LANDSCAPE ARCHITECTURAL, ENGINEERING, ENVIRONMENTAL, LAND SURVEYING OR CONSTRUCTION PROJECT MANAGEMENT SERVICES WILL BE CONSISTENT WITH PROCEDURES AND POLICIES ADOPTED BY THE COMMISSION AS SPECIFIED IN GOVERNMENT CODE SECTION 4526 AND TITLE 2, CALIFORNIA CODE OF REGULATIONS 2980 –2980.9.
4. 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.
5. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO ENTER INTO MEMORANDA OF AGREEMENT, MEMORANDA OF UNDERSTANDING, OR OTHER INTERAGENCY AGREEMENTS WITH THE U.S. COAST GUARD AND OTHER APPLICABLE FEDERAL, STATE, AND LOCAL AGENCIES IN ACCORDANCE WITH STATE POLICIES AND PROCEDURES.
6. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO ENTER INTO AN AGREEMENT WITH THE PROJECT APPLICANT TO RECOVER COSTS INCURRED IN THE PROCESSING AND CONSIDERATION OF THIS PROJECT.