

**CALENDAR ITEM
C56**

A	Statewide	10/13/16 Bid Log 2016-21 W 40821.10 D. Cook
S	Statewide	A. Abeleda D. Rodriguez

**CONSIDER DELEGATING AUTHORITY TO THE EXECUTIVE OFFICER
TO SOLICIT PROPOSALS FOR ELECTRICAL ENGINEERING
SERVICES, NEGOTIATE A FAIR AND REASONABLE PRICE, AND AWARD AND
EXECUTE AGREEMENTS FOR CONDUCTING ELECTRICAL SYSTEMS SAFETY
ANALYSIS AT OIL AND GAS DRILLING AND PRODUCTION FACILITIES ON
STATE-OWNED LANDS UNDER LEASE OR CONTRACT WITH THE COMMISSION,
SANTA BARBARA, VENTURA, ORANGE AND LOS ANGELES COUNTIES**

PARTY:

California State Lands Commission

BACKGROUND:

The Commission conducts Safety and Oil Spill Prevention Audits of its offshore islands and platforms and related onshore facilities on a 5-year periodic basis, in accordance with industry guidelines and federal regulations for process safety management. The audits are a comprehensive evaluation of the platform or facility that augment the Commission's monthly inspection program by performing physical examination and technical evaluations of systems, equipment, and safety management programs that are impracticable to perform at the monthly inspection. The objective of the Safety and Oil Spill Prevention Audit (Safety Audit) is to ensure that the oil and gas production facilities located on state-owned land or developing state owned oil and gas product and under lease or contract with the state are operated in a safe and environmentally sound manner; comply with federal, state and local codes, regulations, and permits governing facility operation and pollution prevention; and employ industry best practices and standards. Completion of every Safety Audit represents a significant achievement in improving safety and preventing pollution at these facilities.

PROPOSED PROJECT

An electrical engineer will be required to perform the electrical systems safety analysis portion of each Safety Audit of state oil and gas lease offshore

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platforms, islands, and other upland sites and onshore facilities that process the oil and gas from the offshore wells. The electrical engineer will also evaluate the condition of electrical systems, maintenance practices, compliance with National Electric Codes, California Electric Code, Commission regulations, other appropriate industry standards from National Fire Protection Association, and American Petroleum Institute's Recommended Practices. The electrical portion is a key part of the offshore platform or facility safety audit.

PROPOSED ACTIVITY:

The Executive Officer requests delegation of authority to engage a licensed electrical engineering firm on a consulting basis to perform the evaluation of the electrical systems as part of the Safety Audits. A multi-year agreement is anticipated to cover several audits, providing services on an as-needed basis. Such expertise is not available on staff and the work is of such occasional and limited duration that a staff position cannot be justified. Consultant selection shall be conducted in accordance with the procedures specified in the Commission's 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. Funding is available specifically for this purpose in the Commission's baseline budget.

OTHER PERTINENT INFORMATION:

1. Authorization to solicit proposals and engage a firm to perform an electrical systems audit is not a project as defined by CEQA because it is an administrative action that will not result in direct or indirect physical changes in the environment.

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

2. This action is consistent with Strategy 1.5 of the Commission's Strategic Plan to ensure the highest level of environmental protection and public safety in the production and transportation of oil and gas resources, by applying Key Action 1.5.1, to ensure oil spill pollution prevention programs attain best achievable protection through both the use of best achievable technology and those manpower levels, training procedures, and operational methods that provide the greatest degree of protection achievable; by applying Key Action 1.5.2, to ensure lease and contract compliance with sound oil and gas development practices in compliance with regulatory and statutory requirements, and by applying Key Action 1.5.3, to improve inspection and safety audit programs, through risk-based

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prioritization models. The primary goal of the electrical engineer is to evaluate the electrical systems and operations of offshore platforms and oil processing facilities for conformance to the California Electric Code and industry standards. The electrical assessment ensures safe operation of the facility, thus reducing the risk of spills and environmental impacts.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code section 6106 (Delegation to execute written instruments)
- B. State Contracting Manual Volume 1 Chapter 11A & E method (rev. 11/12)
- C. Public Contract Code section 6106
- D. Government Code section 19130
- E. Government Code section 4526
- F. California Administrative Code, Title 2, Div. 3, Chapter 1, Article 3, sections 2980.0 – 2980.12
- G. Public Resources Code sections 8757

RECOMMENDED ACTION:

It is recommended that the Commission:

1. Find that the subject solicitation is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.
2. Find that the services are of limited duration and are of such urgent, temporary and occasional nature that the delay in their implementation under civil service would frustrate their very purpose as specified in Government Code section 19130, subdivision (b)(10).
3. Find that the selection of consultants under this process does not affect small businesses as defined in Government Code section 11342.610, because they will be accorded equal opportunity to submit statements of qualifications and performance data.
4. 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

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Commission as specified in Government Code section 4526 and title 2, California Code of Regulation sections 2980 – 2980.12.

5. Authorize the Executive Officer or her designee to solicit proposals, negotiate a fair and reasonable price, award and execute contracts for conducting electrical systems safety analysis audit in accordance with State policies and procedures.