

MINUTE ITEM

7/6/72
CVB

18. RATIFICATION OF AMENDMENT TO NOTICE INVITING BIDS, BID FORM, CONTRACT FOR SALE OF LIQUID PRODUCTS RESULTING FROM TREATMENT OF NATURAL GAS; AND APPROVAL OF AWARD OF CONTRACT FOR SALE OF LIQUID PRODUCTS RESULTING FROM TREATMENT OF NATURAL GAS, PARCEL A, CITY OF LONG BEACH, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

After consideration of Calendar Item 16 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION, PURSUANT TO APPLICABLE STATUTE:

1. RATIFIES THE TECHNICAL CHANGE IN THE NOTICE INVITING BIDS, THE BID FORM AND THE CONTRACT FOR SALE OF LIQUID PRODUCTS RESULTING FROM THE TREATMENT OF NATURAL GAS, PARCEL A, CITY OF LONG BEACH, AS APPROVED BY THE COMMISSION ON FEBRUARY 24, 1972, TO PROVIDE FOR INCLUSION OF LIQUIDS RETAINED DURING THE PERIOD MARCH 18, 1971, THROUGH JUNE 30, 1972.
2. APPROVES THE AWARD OF THE CONTRACT BY THE CITY OF LONG BEACH FOR SALE OF LIQUID PRODUCTS RESULTING FROM TREATMENT OF NATURAL GAS, PARCEL A, TO THE HIGHEST QUALIFIED BIDDER, AS SET FORTH IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

Attachment:

Calendar Item 16 (3 pages)

RATIFICATION OF AMENDMENT TO NOTICE INVITING BIDS, BID FORM, CONTRACT FOR SALE OF LIQUID PRODUCTS RESULTING FROM TREATMENT OF NATURAL GAS; AND APPROVAL OF AWARD OF CONTRACT FOR SALE OF LIQUID PRODUCTS RESULTING FROM TREATMENT OF NATURAL GAS, PARCEL A, CITY OF LONG BEACH, WILMINGTON OIL FIELD, LOS ANGELES COUNTY

The Commission, at its meeting of February 24, 1972, approved the Notice Inviting Bids, Bid Form, and Contract for Sale of Liquid Products Resulting from Treatment of Natural Gas, Parcel A, as requested by the City of Long Beach.

After publishing the notice, sealed bids for the liquid products sales contract were to be opened at 2:00 p.m. on March 6, 1972, at the Long Beach City Hall; however, no bids were received at the advertised time and place.

The previously existing Parcel A gas processing contract expired on March 17, 1972. In order to provide for the continued handling of the gas produced from Parcel A, the City made temporary arrangements with Lomita Gasoline Company to continue processing and treating the Parcel A gas, including the removal of hydrogen sulfide. Lomita is retaining the extracted liquids pending award of a new sales contract.

Commencing in January, 1973, it is anticipated that the City's share of natural gas liquid products from several properties will be combined, bid, and sold under a single contract. In the meantime, the City desires to bid and sell its share of the gas liquid products from Parcel A for the six-month period July 1, 1972, through December 31, 1972.

The City has amended the previously approved Notice Inviting Bids, Bid Form, and Contract for Sale of Liquid Products Resulting from Treatment of Natural Gas, Parcel A, to include the sale of the retained liquid products accumulated since expiration of the previous contract. This is, in effect, a technical change only. Otherwise the documents remain the same as those approved by the Commission on February 24, 1972.

The notice inviting bids was published, and sealed bids for the sales contract were opened at the City Hall of the City of Long Beach on June 22, 1972. The successful bidder has been determined by the highest cash amount offered for the contract by a responsible and qualified bidder.

The City Council of the City of Long Beach approved the award of the high bid, and requested Commission approval pursuant to applicable statute.

The Division has reviewed the bids and supporting documents, and has prepared Exhibit "A", attached, summarizing the bids and the reason for recommending acceptance or rejection.

The bids and their supporting documentation have been reviewed by the Office of the Attorney General, who has advised that the bid recommended for approval on Exhibit "A" is legally sufficient and may be approved by the Commission.

EXHIBIT: A. Summarization of Bids.

CALENDAR ITEM NO. 16. (CONTD)

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO APPLICABLE STATUTE;

1. RATIFY THE TECHNICAL CHANGE IN THE NOTICE INVITING BIDS, THE BID FORM AND THE CONTRACT FOR SALE OF LIQUID PRODUCTS RESULTING FROM THE TREATMENT OF NATURAL GAS, PARCEL A, AS APPROVED BY THE COMMISSION ON FEBRUARY 24, 1972, TO PROVIDE FOR INCLUSION OF LIQUIDS RETAINED DURING THE PERIOD MARCH 18, 1971, THROUGH JUNE 30, 1972.
2. APPROVE THE AWARD OF THE CONTRACT FOR SALE OF LIQUID PRODUCTS RESULTING FROM TREATMENT OF NATURAL GAS, PARCEL A, TO THE HIGHEST QUALIFIED BIDDER, AS SET FORTH IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

Attachment: Exhibit "A"

EXHIBIT "A"

BIDS RECEIVED AND RECOMMENDATION
CONTRACT FOR SALE OF LIQUID PRODUCTS
RESULTING FROM TREATMENT OF NATURAL GAS,
PARCEL A
CITY OF LONG BEACH

<u>Bidder</u>	<u>Cash Bonus Bid, \$</u>	<u>Recommendation</u>
Macmillan Ring-Free Oil Co., Inc.	\$1,000.00	Accept - highest qualified bidder
Standard Oil Company of California	NONE	Reject - lower bid