

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Agenda Number:

Prepared on: June 13, 2005
Department: Planning & Development
Budget Unit: 053
Agenda Date: June 28, 2005
Placement: Administrative
Estimate Time: N/A
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Dianne Meester, Assistant Director
Planning and Development

STAFF CONTACT: Doug Anthony, Interim Deputy Director, ext. 2046
Luis Perez, Energy Specialist, ext. 2034

SUBJECT: Contract between the County of Santa Barbara and Storrer Environmental Services for Integrated EQAP Monitoring for Oil and Gas Projects

Recommendation:

That the Board of Supervisors:

Execute the attached Contract between the County of Santa Barbara and Storrer Environmental Services for a period of 2 years commencing July 1, 2005 and terminating on June 30, 2007, to provide integrated Environmental Quality Assurance Program monitoring services for oil and gas projects. The base Contract amount is \$385,982.00, and includes a 10% contingency fund of \$38,598.20, for a total not-to-exceed amount of \$424,580.20.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with Goal No. 5. A High Quality of Life for All Residents.

Executive Summary and Discussion:

Santa Barbara County permits for oil and gas projects, and the California Environmental Quality Act (CEQA §21081.6), require that permit condition compliance be reported by permit holders to the Energy Division and monitored by the Division during the life of the projects. The Energy Division fulfills this requirement through its Permit Compliance Program, established by the Board of Supervisors in 1986, and Environmental Quality Assurance Programs (EQAPs), established by permit conditions on oil and gas projects. These programs provide for the County to retain consultants to assist it in the monitoring of permit condition compliance.

Since approximately 1985, the County has retained consultants to assist in field monitoring for the construction and operation of oil and gas facilities related to offshore oil production. Until 1994, the County held separate contracts, often with separate consultants, for each major project. On July 26, 1994, after a competitive bid process, the Board of Supervisors executed a two-year contract with Storrer Environmental Services (SES) to provide an Integrated EQAP for field monitoring and other permit compliance monitoring assistance for nearly all of the major oil and gas projects. On July 22, 1996, the Director of P&D executed a one-year extension to the SES contract, at no additional cost, establishing June 30, 1997 as the contract termination date. The Board of Supervisors executed a contract with SES again on June 17, 1997 for a two-year period from July 1, 1997 to June 30, 1999. After another competitive bid process the Board of Supervisors executed a two-year contract with SES from July 1, 1999 to June 30, 2001. In July of 2001, the Director of P&D executed another one-year extension to the SES contract, at no additional cost, establishing June 30, 2002 as the contract termination date. Another competitive bid process was conducted, and SES was chosen for another 2 year contract for the period of July 1, 2002 through June 30, 2004, with a subsequent 1 year extension, establishing June 30, 2005 as the contract termination date.

Pursuant to County policy, the Energy Division conducted a competitive bid process for a new, two-year EQAP monitoring contract for the period of July 1, 2005 through June 30, 2007. Requests for Proposals were sent to 18 firms and individuals. We received one proposal. Some prospective firms responded that they did not have the manpower to satisfy the needs of the contract, or that after review of the contract values for previous years, did not feel that they could present a competitive proposal. Other firms did not feel they could compete due to potential conflict of interest due to their work with oil companies. Finally, some firms requested to be kept on this list for future RFPs for energy projects.

Energy Division staff reviewed the proposal received and determined that it met the requirements of the RFP. Staff recommends awarding the contract to Storrer Environmental Services based on its superior technical approach, highly qualified personnel, and overall cost. This contract includes the following tasks: field monitoring of construction activity and abandonment projects; field monitoring of ongoing revegetation and landscaping programs; field inspections of erosion control measures, environmental restoration plans, and facility operations; emergency (e.g., spills, floods, earthquakes) inspections at existing facilities; and, assistance with special mitigation efforts and report reviews as necessary.

The contract for the previous period was for a total not to exceed amount of \$398,243.78, while the contract for this 2-year period is proposed to have a not to exceed amount of \$424,580.20. The higher cost estimates are due to field monitoring requirements for large decommissioning and remediation projects scheduled to occur during the next two years. These projects include: Aera PCB Remediation, GTC Abandonment, Alcatraz Creek Repair Project, and PXP Battles Pipeline Abandonment. Several projects have reduced compliance needs during this contract period and are budgeted for substantially lower amounts within the proposal. Some of those projects include: the All-American Pipeline System, the Arguello, Inc. Gaviota Facility, and the Unocal Cojo Abandonment Project. The total contract amount is based on individual budget projections for each oil and gas project, which may or may not materialize. Actual costs may vary due to the variability on actual monitoring needs and whether the projects occur or not. A notice to proceed is issued for the projects that are known to occur during the upcoming year. The consultant then bills the amount spent for each month and the Energy Division bills the appropriate oil companies as part of the monthly billing cycle.

Mandates and Service Levels:

Subject: Integrated EQAP Monitoring Program Contract; Oil and Gas Projects
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No change in programs or service levels. State law (CEQA Section 21081.6) mandates that a mitigation monitoring program be in place to ensure mitigation effectiveness; this contract assists the County in meeting that mandate.

Fiscal and Facilities Impacts:

There is no net fiscal impact to the County. All costs are fully reimbursed by the owners or operators of oil and gas facilities. These permit revenues are in the Recommended Fiscal Year 05/06 budget in the Permitting and Compliance Program of the Energy Division on page D-304. Permit conditions for oil and gas projects require reimbursement for permit compliance monitoring costs, including reasonable County consultant expenses, implemented through reimbursement agreements between the County and oil and gas companies.

Storrer Environmental Services maintains a local office in Santa Barbara. County office space, other County facilities, or public areas are not required pursuant to this contract.

Special Instructions:

None.

Concurrences:

Auditor-Controller
County Counsel

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