

RESOLUTION NO. 8 -2013

Adopted April 2, 2013

AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH TREADWELL & ROLLO, A LANGAN COMPANY, A NEW JERSEY CORPORATION, TO EXTEND THE CONTRACT TERM ON A MONTH TO MONTH BASIS FOR UP TO TWELVE MONTHS, FOR THE PERIOD DECEMBER 20, 2012 THROUGH DECEMBER 19, 2013, UNLESS TERMINATED EARLIER BY THE EXECUTIVE DIRECTOR, TO ENABLE CONTINUED ENVIRONMENTAL TECHNICAL SERVICES IN CONNECTION WITH; (1) THE PHASE 1 DEVELOPMENT AT THE HUNTERS POINT SHIPYARD AND (2) THE REMEDIATION AND TRANSFER OF PROPERTY AT THE HUNTERS POINT SHIPYARD FROM THE U.S. DEPARTMENT OF THE NAVY TO THE SUCCESSOR TO THE FORMER SAN FRANCISCO REDEVELOPMENT AGENCY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

WHEREAS, The Hunters Point Shipyard (the "Shipyard"), a former naval base, is a master-planned community of approximately 500 acres located along the southeastern waterfront of San Francisco. The Board of Supervisors originally adopted the Redevelopment Plan in 1997 and amended it in 2010 to provide for the integrated planning and development of the Shipyard and the Candlestick Point portion of the Bayview Hunters Point Redevelopment Project Area. Transfer of property by the U.S. Department of the Navy ("Navy") to the Office of Community Investment and Infrastructure ("OCII"), as successor to the former San Francisco Redevelopment Agency ("SFRA") and redevelopment of the property will occur in phases after the Navy completes environmental remediation; and,

WHEREAS, The Shipyard was closed by the federal government in 1974. In 1989, due to environmental contamination on the base, the U.S. Environmental Protection Agency ("EPA") placed the Shipyard on the National Priorities List of "Superfund" cleanup sites, requiring the Navy to investigate and remediate hazardous materials at the Shipyard; and

WHEREAS, In April 2004, the former San Francisco Redevelopment Agency Commission (the "SFRA Commission") authorized a conveyance agreement ("Conveyance Agreement") between the Navy and SFRA. The Conveyance Agreement requires the Regulators (together the EPA and the State of California are the "Regulators") to confirm that each parcel is remediated to a level that is safe for its intended reuse prior to transfer and from the Navy to OCII, and the Regulators to share environmental information in a "Collaborative Partnership." OCII, and the San Francisco Department of Public Health ("DPH"), in consultation with the Office of the City Attorney (collectively, the "Environmental Team" or the "City") reviews and

analyzes the technical documents produced by the Navy and the Regulators relating to the environmental remediation of the Shipyard; and,

WHEREAS, It is in the interest of OCII and the City to review and provide feedback on these environmental documents to ensure that the Navy will remediate the Shipyard in a manner that is protective of public health and the environment and is consistent with the proposed reuse plans. On issues where OCII requires specific environmental technical expertise and it is not available through the Environmental Team, outside expert consultants are engaged, and,

WHEREAS, On December 15, 2009, by Resolution No. 150-2009, the SFRA Commission approved a personal services contract ("Contract") with Treadwell & Rollo for environmental technical services, for a term of three years. On September 20, 2011, by Resolution No. 98-2011, the SFRA Commission approved a First Amendment to the Contract to add additional funds, for a total aggregate Contract amount not to exceed \$2,701,880; and,

WHEREAS, Under OCII's Purchasing Policy, new contracts must be offered for competitive solicitation every three years. On January 22, 2013, OCII issued a Request for Proposals ("RFP") offering the opportunity to contract with OCII to provide environmental technical services; and,

WHEREAS, The Contract expired before the RFP process will be completed which would leave a gap in environmental services until the award of a new contract; and,

WHEREAS, OCII staff therefore seeks authorization to extend the existing Contract with Treadwell & Rollo, on a month to month basis for up to twelve months, unless otherwise terminated earlier by the Executive Director, to prevent any services gaps during the procurement process; and,

WHEREAS, The Second Amendment will not change the scope of services or increase the Contract budget. The following is a summary of the Contract's scope of services: a) provide independent review and analysis of the technical documents relating to the environmental condition of the Shipyard produced by the Navy and the Regulators; b) advise OCII in its role as the local reuse authority for and redeveloper of the Shipyard; c) advise OCII on the compliance of the Shipyard's development with the environmental controls imposed on the Shipyard by DPH's Health Code Article 31; d) as needed, provide review of air quality testing performed by, HPS Development Co. LP's, ("Lennar") environmental consultants for Parcel A.

WHEREAS, The Contract's expenses are reimbursable by Lennar under the Shipyard's Phase 1 Disposition and Development Agreement ("Phase 1 DDA") and the Candlestick Point and Phase 2 Disposition and Development Agreement ("Phase 2 DDA"). The Second Amendment will not increase the Contract budget's total aggregate amount of \$2,701,880; and,


WHEREAS, The Contract with Treadwell & Rollo is an enforceable obligation under the Dissolution Law. The Contract is shown on line HPSY 79 of the Recognized Obligation Payment Schedule for January to June 2013, approved by the Oversight Board and the Department of Finance. The Agency is obligated under Section 20 of the Phase 1 DDA to monitor the Shipyard's developers for compliance with the Phase 1 DDA's Mitigation Measures including DPH's Article 31. In addition, Article 2 of the Conveyance Agreement requires the Agency, through a Collaborative Partnership with the Navy to "share information and communicate... explore opportunities for integrating development with cleanup...develop strategies for characterizing the site and resolving remediation issues...explore conveyance and contracting mechanisms that expedite cleanup and conveyance...and jointly present characterization, remediation, contracting and conveyance plans to regulators and community groups." Section 5.2.6 of the Phase 2 DDA commits OCII to accept properties from the Navy once those properties have been remediated consistent with the reuse plans. Before OCII accepts such properties, however, OCII is required to conduct significant environmental analysis. OCII does not have the environmental expertise to accomplish any of these activities on its own and therefore must hire outside experts. The Contract and this proposed Second Amendment, is in furtherance of these enforceable obligations of OCII; and,

WHEREAS, A copy of the Second Amendment is on file with the Secretary of this Commission, and incorporated herein as if fully set forth; and,

WHEREAS, Authorization of the Second Amendment to the Contract is an OCII administrative activity that would not have any direct physical effects on the environment and is not a "Project" as defined in CEQA Guidelines Section 15378(b)(5); now, therefore, be it

RESOLVED, That this Commission approves and authorizes the Executive Director to execute a Second Amendment to the Contract with Treadwell & Rollo, substantially in the form of the Second Amendment on file with the Secretary of this Commission, that extends the term of the Contract on a month to month basis for up to twelve months, for the period December 20, 2012 through December 19, 2013 unless terminated earlier by the Executive Director.

I hereby certify that the foregoing resolution was adopted by the Commission on Community Investment and Infrastructure at its meeting of April 2, 2013.



Board Secretary