

Commission on Community Investment and Infrastructure

RESOLUTION NO. 38-2013

Adopted July 30, 2013

AUTHORIZING A PERSONAL SERVICES CONTRACT WITH TREADWELL & ROLLO, A LANGAN COMPANY, A NEW JERSEY CORPORATION, FOR A 3-YEAR CONTRACT TERM, WITH A TOTAL AGGREGATE BUDGET AMOUNT NOT TO EXCEED \$1,114,299, TO PROVIDE ENVIRONMENTAL TECHNICAL SERVICES IN CONNECTION WITH; (1) THE 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 OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

- WHEREAS, Under Chapter 5, Statutes of 2011, ABx1 26, and Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12, Regular Session) (collectively, the “Dissolution Law”), the San Francisco Redevelopment Agency (“SFRA”) was dissolved and the non-affordable housing obligations of SFRA were transferred to the successor agency, now known as the Office of Community Investment and Infrastructure or “OCII,” the successor to the San Francisco Redevelopment Agency by operation of law; and,
- WHEREAS, The Dissolution Law required the formation of an oversight board for each dissolved redevelopment agency to oversee the fiscal management of successor agency activities, and the Board of Supervisors on January 24, 2012 by Resolution No. 11-12, formed an oversight board for OCII (the “Oversight Board”) which has been meeting since March 2012 to perform its duties under the Dissolution Law; and,
- WHEREAS, On October 2, 2012, the Board of Supervisors in its capacity as the legislative body of the Successor Agency adopted Ordinance No. 215-12, acknowledging that OCII is a separate legal entity as a result of AB 1484 and creating the Community Investment and Infrastructure Commission (the “Commission”) as the policy body of OCII to implement three Major Approved Development Projects (1. Hunters Point Shipyard/Candlestick Point, 2. Mission Bay, and 3. Transbay), the Retained Housing Obligations, and other enforceable obligations under the Dissolution Law; and,
- WHEREAS, The Hunters Point Shipyard (the “Shipyard”) and Candlestick Point Project (together the “Project”) is divided into two phases, called Phase 1 and Phase 2, each with a separate disposition and development agreement (“DDA”). The DDAs, together with a number of related binding agreements attached to or referenced in the text of the DDAs, establish a comprehensive set of enforceable obligations that collectively govern the completion of the Project. The DDAs are binding contractual agreements that provide for the transfer of land from OCII to developers, the developers' and OCII's rights and obligations relating to the construction of specified improvements, and the financing mechanisms for completing the Project. The Project will deliver over 12,000 new homes, approximately 32 percent of which will be below market rate and will include the rebuilding of the Alice Griffith public housing development consistent with the City's HOPE SF program, up to 3 million square feet of research and development space, and more than 350 acres of new parks in the southeast portion of San Francisco. In total, the Project will generate over \$6 billion of new

economic activity to the City, more than 12,000 permanent jobs, hundreds of new construction jobs each year, new community facilities, new transit infrastructure, and provide approximately \$90 million in community benefits. The Project's full build out will occur over 20-30 years, but over 1,000 units of housing and 26 acres of parks will be completed over the next 5 years in the first phase of the Project; 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 between the U.S. Department of the Navy ("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 for the Navy, OCII, and the Regulators to share environmental information in a "Collaborative Partnership." OCII, DPH, and the Office of the City Attorney (collectively, the "Environmental Team") reviews and analyzes the technical documents produced by the Navy and the Regulators relating to the environmental remediation of the Shipyard; and,

WHEREAS, OCII and the City must review and provide feedback on these environmental documents and oversee the Navy's cleanup to ensure that the Navy remediates the Shipyard in a manner that is protective of public health and the environment and is consistent with the approved 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, In December 2009, SFRA approved a personal services contract ("Contract") with Treadwell & Rollo, for environmental technical services, for a term of three years. In September 2011, SFRA approved a First Amendment to the Contract to add additional funds, for a total aggregate Contract amount not to exceed \$2,701,880. In April 2013 OCII approved a Second Amendment to the Contract, to extend the term for up to one year ending on December 19, 2013; and,

WHEREAS, Under OCII's Purchasing Policy new Contracts must be offered for competitive solicitation every three years. In January of this year, OCII staff issued a Request for Proposals ("RFP") seeking environmental technical services firms. A selection panel ("Selection Panel") comprised of OCII staff, technical environmental staff from DPH, and Shipyard Citizens Advisory Committee ("CAC") members was formed to evaluate the RFP proposals. OCII received three complete and responsive proposals for the RFP. The three proposals were from, 1) Remedy Engineering, 2) Treadwell & Rollo, and 3) URS. All three were invited for in-person interviews but Remedy Engineering experienced a staff change that caused them to withdraw prior to the interviews. After the interviews and an evaluation process the Selection Panel voted to recommend Treadwell & Rollo for a Contract to provide environmental technical services for a maximum of three years (approved annually by the Executive Director) with a total aggregate budget not to exceed \$1,114,299. OCII staff briefed the CAC on the details of the proposed Contract with Treadwell & Rollo, a copy of which is on file with the Secretary of this Commission, during its meetings in July 2013 and the CAC recommended moving forward with the Contract award; and,

WHEREAS, If approved, the Contract will be an enforceable obligation under the Dissolution Law. The Contract is in furtherance of, and is necessary to complete, OCII obligations under the Phase 1 and 2 DDAs, as well as the Conveyance Agreement. The Contract is shown on line HPSY 79 of the approved Recognized Obligation Payment Schedule for July to December 2013, which was approved by the Oversight Board and the Department of Finance. On December 14, 2012, the California State Department of Finance issued a Final and Conclusive Determination under California Health and Safety Code § 34177.5 (i), that the Phase 1 DDA and the Phase 2 DDA are enforceable obligations that survived the dissolution of the Redevelopment Agency. OCII's expenses under the Contract are reimbursable by the master developers under the Shipyard's Phase 1 and 2 DDAs; and,

WHEREAS, Authorization of a 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 California Environmental Quality Act Guidelines Section 15378(b)(5); now, therefore, be it

RESOLVED, That this Commission approves and authorizes the Executive Director to execute the Contract, substantially in the form on file with the Secretary of this Commission, for a 3-year term, for the period August 1, 2013 through July 31, 2016, with a total aggregate budget amount not to exceed \$1,114,299, to provide environmental technical services in connection with (1) the development at the Hunters Point Shipyard and (2) the remediation and transfer of property at the Shipyard from Navy to OCII, and, be it further

RESOLVED, That the Commission authorizes the Executive Director to take such other actions as may be necessary or appropriate, in consultation with the City Attorney's Office, to effectuate the purpose or intent of this resolution.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of July 30, 2013.


Commission Secretary