

RESOLUTION NO. 191-2003

Adopted December 16, 2003

AUTHORIZING A PERSONAL SERVICES CONTRACT WITH TREADWELL & ROLLO, INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$360,000 AND A TERM NOT TO EXCEED THREE YEARS FOR ENVIRONMENTAL REVIEW SERVICES IN FURTHERANCE OF THE TRANSFER OF PROPERTY FROM THE UNITED STATES NAVY TO THE AGENCY AT HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. Due to the presence of significant hazardous materials in the Hunters Point Shipyard ("Shipyard") from the activities of the United States Navy ("Navy") and its contractors and tenants, the Environmental Protection Agency ("EPA") placed the Shipyard on the National Priorities List created under the Federal Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA" or "Superfund") in 1989. Pursuant to CERCLA, the Navy, the EPA, and the State of California through the California Department of Toxic Substances Control and Regional Water Quality Control Board (collectively, the "Regulators") executed a Federal Facilities Agreement in 1992 ("FFA"), which requires the Navy to investigate and remediate hazardous materials at the Shipyard according to a specified process and schedule. Pursuant to the FFA, the Shipyard is divided into six (6) parcels designated A through F.
2. The United States Navy ("Navy") and Agency staff have negotiated a comprehensive agreement governing the terms and conditions for the transfer of Hunters Point Shipyard ("Shipyard") from the Navy to the Agency (the "Conveyance Agreement"). Pursuant to the Conveyance Agreement the Navy will convey the Shipyard to the Agency over time in phases, as the Navy completes environmental remediation and is able to issue a Finding of Suitability to Transfer ("FOST") for specified parcels or portions thereof.
3. The Conveyance Agreement establishes a collaborative partnership between the Navy and the Agency. This partnership grants to the Agency more access to, and participation in, the cleanup process than is provided under CERCLA including independent review of data.
4. Since the inception of the Shipyard project, the Agency and City, represented by personnel from the Agency, San Francisco Department of Public Health ("DPH"), Office of the City Attorney, and the San Francisco Public Utilities Commission ("PUC") (collectively, the "Toxics Team") have reviewed technical documents

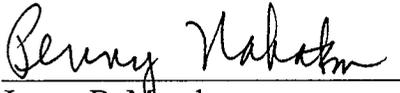
produced by the Navy and the Regulators. On issues where specific technical expertise is required and not available through the Toxics Team, and in times when the volume of reports issued are beyond the capacity of the Toxics Team to process in a timely basis, outside consultants are used.

5. In October 1999, Treadwell & Rollo, Inc. was chosen through a competitive process conducted by the City and County of San Francisco Department of Public Works ("DPW") to provide peer review consultation services for the environmental portions of development proposals received as part of the Agency's public solicitation for and selection of a primary developer for the Shipyard.
6. In July 2001, Treadwell & Rollo, Inc. was selected in a competitive proposal and presentation process for as-needed environmental consultation services with DPW and continued the peer review work for the Shipyard to the present date. The Agency is currently reimbursing DPW for these consulting services through a Letter Agreement.
7. The review of technical documents is expected to continue and potentially accelerate as the negotiations are now complete on the Conveyance Agreement and the potential for property transfer nears. Technical documents will include those related to the past radiological uses at the Shipyard and the availability of professionals to the Agency with expertise in this specific area will be required.
8. Treadwell & Rollo's knowledge of the environmental conditions at the Shipyard and its continued availability as an outside consultant to the Agency is critical to the Toxics Team and the Agency, especially as potential transfer of property nears. Treadwell & Rollo, Inc. has also augmented its team with an international radiological expert, Dr. Lynn Anspaugh. He will be assisted by Mr. Tom Widner.
9. The Agency and DPW are currently operating under a Letter Agreement that will expire on January 10, 2004, which allows the Agency to utilize DPW's consultants, such as T&R, for engineering and environmental work. Staff now wish to enter into a direct contract with Treadwell & Rollo, Inc. to continue its peer review services related to the cleanup process at Hunters Point Shipyard.
10. Staff recommends the authorization to enter into a Personal Services Contract with Treadwell & Rollo, Inc. for an amount not-to-exceed \$360,000 and a term of three years. Funds have been budgeted through the Transaction Cost Budget provided for by the primary developer of the Shipyard and are available.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute the Personal Services Contract with Treadwell & Rollo, Inc. substantially in the form lodged with the Agency General Counsel, which provides for funding in an amount not to exceed \$360,000 and a term not to exceed three years for as-needed environmental review services related to the environmental cleanup of Hunters Point Shipyard and in furtherance of the transfer of property from the United States Navy to the Agency.

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel

