

## **RESOLUTION NO. 160-2006**

*Adopted December 5, 2006*

**AUTHORIZING AN AMENDED AND RESTATED PERSONAL SERVICES CONTRACT WITH TREADWELL & ROLLO, INC., A CALIFORNIA CORPORATION, TO EXTEND THE CONTRACT TERM BY THREE YEARS FOR A TOTAL AGGREGATE TERM OF SIX YEARS AND TO INCREASE THE CONTRACT AMOUNT BY \$645,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,005,000 FOR ENVIRONMENTAL REVIEW SERVICES IN FURTHERANCE OF: (1) THE PHASE 1 DEVELOPMENT AT HUNTERS POINT SHIPYARD; AND (2) THE TRANSFER OF ADDITIONAL PROPERTY AT HUNTERS POINT SHIPYARD FROM THE UNITED STATES DEPARTMENT OF THE NAVY TO THE AGENCY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA**

### **BASIS FOR RESOLUTION**

1. Due to the presence of significant hazardous materials in the decommissioned Hunters Point Shipyard (the "Shipyard") released by the activities of the United States Department of the Navy (the "Navy") and its contractors and tenants, the United States Environmental Protection Agency ("EPA") placed the Shipyard on the National Priorities List ("NPL," commonly known as the "Superfund list") created under the Federal Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") in 1989.
2. Pursuant to CERCLA, the Navy, EPA, and the State of California, acting through the California Department of Toxic Substances Control and Regional Water Quality Control Board (the EPA and the State, collectively, the "Regulators") executed a Federal Facilities Agreement (the "FFA") in 1992, which requires the Navy to investigate and remediate hazardous materials at the Shipyard according to a specified process and schedule. In the original FFA, the Shipyard was divided into six parcels designated A through F, roughly corresponding to the Navy's anticipated remediation schedule.
3. The full environmental remediation of the Shipyard remains the primary obstacle blocking the redevelopment of the Hunters Point Shipyard Redevelopment Project Area. The process of environmental remediation that is required of the Navy results in the production of numerous technical documents. It is in the interest of the Redevelopment Agency of the City and County of San Francisco (the "Agency") and the City and County of San Francisco (the "City") to review and provide feedback on these documents in furtherance of negotiations with the Navy and to prepare for eventual transfer of additional Shipyard parcels to the Agency.

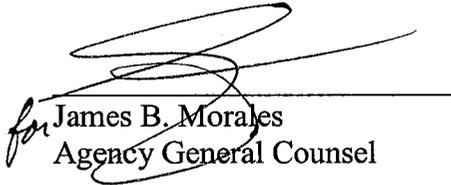
4. Federal legislation in 1991 authorized the transfer of the Shipyard from the Navy to the City or its designated local reuse authority, the Agency. Since negotiations with the Navy for the Shipyard transfer began, the Agency and City, represented by the Mayor's Office of Economic and Workforce Development, the San Francisco Department of Public Health ("DPH"), the Office of the City Attorney, and the San Francisco Public Utilities Commission ("PUC") (collectively, the "Environmental Team"), have reviewed and analyzed independently the technical documents produced by the Navy and the Regulators relating to the environmental contaminants on and remediation of the Shipyard. On issues where specific technical expertise is required and is not available through the Environmental Team, outside expert consultants are used.
5. The City's Department of Public Works ("DPW"), in its role as manager of the City's construction projects, administers environmental consulting contracts for the City through a panel established by a Request for Qualifications process complying with the Human Rights Commission's procurement guidelines. In 1999 and in 2001, DPW selected Treadwell & Rollo ("T&R") to advise the Environmental Team through competitive processes among firms on its environmental consulting panel. Between 2000 and 2004, a Letter Agreement between DPW and the Agency allowed the Agency to use DPW's consultants for engineering and environmental work.
6. On December 16, 2003, by Resolution No. 191-2003, the Commission authorized a three-year personal services contract (the "Contract") with T&R in the amount of \$360,000 to continue as the primary consultant to the Environmental Team. The T&R Contract expires on December 17, 2006.
7. Staff now wishes to extend the Contract term for its expert services, consisting primarily of three components: (1) advising the Environmental Team on the compliance of the Shipyard's master developer, Lennar-BVHP, LLC ("Lennar"), with the environmental controls imposed on Phase 1 development by San Francisco Health Code Article 31; (2) independent monitoring and peer review of air quality testing performed by Lennar's environmental consultants on and near the Shipyard; and (3) advising the Environmental Team on the Navy's proposed remediation measures on, and independent review and analysis of the technical documents relating to the environmental condition of, the remainder of the Shipyard.
8. The Agency's Contract Compliance staff has approved a sole source contract with T&R because of its history on the project and accumulated knowledge on the nature of contamination at the Shipyard. Contract Compliance staff also has confirmed that T&R has complied with all Agency policies during the Contract term, as required. In addition, T&R has committed to include a trainee(s) position as part of this Contract that will target Bayview Hunters Point residents.

9. Lennar will reimburse the Agency for the portion of the Contract funds expended in connection with the Phase 1 development and the Exclusive Negotiations Agreement for Phase 2.

### **RESOLUTION**

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into an Amended and Restated Personal Services Contract with Treadwell & Rollo, Inc., a California corporation, substantially in the form lodged with the Agency General Counsel, to extend the Contract term by three years for a total aggregate term of six years and to increase the Contract amount by \$645,000 for a total aggregate amount not to exceed \$1,005,000 for environmental review services in furtherance of: (1) the Phase 1 development at Hunters Point Shipyard; and (2) the transfer of additional property at Hunters Point Shipyard from the United States Department of the Navy to the Agency.

**APPROVED AS TO FORM:**

  
for James B. Morales  
Agency General Counsel