

RESOLUTION NO. 150-2009

Adopted December 15, 2009

AUTHORIZING A PERSONAL SERVICES CONTRACT WITH TREADWELL & ROLLO, INC., A CALIFORNIA CORPORATION, FOR THE PERIOD COVERING DECEMBER 20, 2009 THROUGH DECEMBER 19, 2012, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,449,260, FOR TECHNICAL ENVIRONMENTAL SERVICES IN CONNECTION WITH (1) THE ENHANCED DUST MONITORING PROGRAM FOR THE PHASE 1 DEVELOPMENT AT THE HUNTERS POINT SHIPYARD; AND (2) THE TRANSFER OF PROPERTY AT THE HUNTERS POINT SHIPYARD FROM THE UNITED STATES DEPARTMENT OF THE NAVY TO THE AGENCY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. Since negotiations with the United States Department of the Navy ("Navy") for the Hunters Point Shipyard ("Shipyard") transfer began, the Redevelopment Agency of the City and County of San Francisco ("Agency") and the City and County of San Francisco ("City"), represented by the Mayor's Office of Economic and Workforce Development, the San Francisco Department of Public Health, and the Office of the City Attorney (collectively, the "Environmental Team") have independently reviewed and analyzed the technical documents produced by the Navy, the United States Environmental Protection Agency ("EPA"), and the State of California ("State"), acting through the California Department of Toxic Substances Control and Regional Water Quality Control Board (the EPA and the State, collectively, 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.
2. Due to the presence of significantly hazardous materials on the Shipyard released by the activities of the Navy and its contractors and tenants, EPA placed the Shipyard on the National Priorities List (commonly known as the "Superfund list") created under the Federal Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") in 1989.
3. Pursuant to CERCLA, the Navy and the Regulators executed a Federal Facilities Agreement (as amended, 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 FFA, the Shipyard is divided into six parcels designated A through F, roughly corresponding to the Navy's anticipated remediation schedule.

4. In 1997, the federal government passed legislation authorizing the transfer of the Shipyard from the Navy to the City or its designated local reuse authority, the Agency. The full environmental remediation of the Shipyard remains the primary obstacle blocking the redevelopment of the project area. The process of environmental remediation that the Navy is required to undertake results in the production of numerous technical documents. It is in the interest of the Agency and the City to review and provide feedback on these documents to ensure that the Navy will remediate the Shipyard in a manner that is protective of public health and the environment and consistent with the proposed reuse plans.
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. Through this process, DPW selected Treadwell & Rollo, Inc. ("Treadwell & Rollo") to advise the Environmental Team in 1999 and 2001. 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 associated with its evaluation of and redevelopment plans for the Shipyard.
6. On December 16, 2003, by Resolution No. 191-2003, the Agency Commission authorized a three-year personal services contract directly with Treadwell & Rollo in the amount of \$360,000, to continue as the consultant to the Environmental Team. Treadwell & Rollo's work during the term of the contract was a vital factor in the Agency's and the City's due diligence on environmental issues before the Agency Commission authorized the transfer of Parcel A from the Navy to the Agency in December 2004.
7. On December 5, 2006, by Resolution No. 160-2006, the Agency Commission approved an Amended and Restated Personal Services Contract, which extended the contract for three years and authorized a budget totaling \$645,000.
8. In the fall of 2006, the community raised concerns about the dust and naturally-occurring asbestos that were being generated from Lennar's construction activities on Parcel A. Treadwell & Rollo was tasked with conducting peer review of air quality testing performed by Lennar's environmental consultants on and near Parcel A. Airborne asbestos sampling and analysis are very expensive, but in order to maintain community confidence in the Phase 1 project, the community dust monitoring program has continued until present day.
9. Since 2006, many local, state and federal health agencies reviewed the air monitoring data and protocols, including Lennar's improved dust control plan, and concluded that the project is being constructed in a manner that does not pose a risk to public health.

10. In 2007, the Mayor's Office began negotiations with the Navy regarding a possible early transfer of certain Shipyard parcels (or portions thereof). There will be new tasks associated with the early transfer proposals for Parcels B and G from the Navy, resulting in increased costs.
11. On February 19, 2008, by Resolution No. 5-2008, the Agency Commission authorized the First Amendment to the Amended and Restated Personal Services Contract, which increased the budget for the contract by \$1,657,375, in order for Treadwell & Rollo to continue with its current scope of services, summarized below. Treadwell & Rollo's current contract expires on December 19, 2009.
 - a) Advising the Environmental Team on the compliance of the Shipyard's developer, HPS Development Co. LP ("Lennar"), with the environmental controls imposed on the Phase 1 development by San Francisco Health Code, Article 31;
 - b) Providing limited independent monitoring and peer review of air quality testing performed by Lennar's environmental consultants on and near Parcel A; and
 - c) Providing independent review and analysis of the technical documents relating to the environmental condition of, advising the Environmental Team on the Navy's proposed remediation and transfer of the remainder of the Shipyard.
12. After many years of work by the Navy, the Regulators, the Environmental Team and Treadwell & Rollo, the Navy is in the final year of completing the transfer of three parcels (D-2, B and G) to the Agency. Property transfer for subsequent parcels, UC-1, UC-2 and IR7/18 in 2011, UC-3 and D-1 in 2012, are also anticipated to occur during the time frame of Treadwell & Rollo's proposed contract.
13. The Agency now seeks to enter into a new personal services contract ("Contract") with Treadwell & Rollo for the following scope of services: (1) preparation of white papers that summarize environmental concerns for boards and commissions to support each set of property transfers, including professional environmental technical expert opinions on the proposed resolution of all issues of concern; (2) assistance with amendments to the San Francisco Health Code, Article 31; (3) scope and budget assistance for the long term monitoring obligations that will occur after the transfer of Parcel IR7/18; (4) critical review of radiological closure issues prior to parcel transfer; (5) presentations to community groups about technical environmental issues related to transfer and to address community concerns; (6) peer review of scope and cost of the anticipated agreements with the Navy and review of the scope of the anticipated agreements with the Regulators to reach regulatory closure of early transfer parcels; and (7) continuing the Phase 1 enhanced community dust monitoring program to provide asbestos air

monitoring data, compilation of data and, as needed, review of Lennar's dust control efforts.

14. The proposed Contract with Treadwell & Rollo meets the standards set forth in the Agency's Purchasing Policy and Procedures for a sole source method of procurement. Treadwell & Rollo has previously provided technical environmental services to the Agency and, in doing so, has performed satisfactorily and gained specific information and experience making Treadwell & Rollo uniquely qualified to provide such services. Treadwell & Rollo's expertise and accumulated knowledge on environmental issues related to the Shipyard continues to be critical to the Environmental Team in its on-going negotiations with the Navy and the Regulators. A change in the consultant that provides technical environmental services would require considerable effort and resources and result in a significant setback to the City in its efforts to continue the Shipyard's development.
15. The budget for the Contract is anticipated to cover 18 months and is based on the current Phase 1 air monitoring program and the current Phase 2 transfer schedule. It is difficult to accurately estimate costs for the entire three-year contract period at this time due to the variability of the current parcel transfer discussions. It is expected that the budget will require an amendment before June 2011, when the remaining 18 months of services required can be more accurately estimated based on the Shipyard's project status at that time.
16. Under the previous contract, Treadwell & Rollo voluntarily hired a trainee ("Trainee") under the Agency's Equal Opportunity Program. This Trainee is now a full-time valued employee of the Treadwell & Rollo team. As part of this proposed Contract, Treadwell & Rollo will hire an additional trainee to support work on this and other projects. Treadwell & Rollo will work with the Agency and local community based organizations to hire a qualified candidate (college student or bachelor's degree candidate) from the Bayview Hunters Point community and provide the trainee with training in the environmental and/or geotechnical areas. Treadwell & Rollo is committed to its affirmative action hiring goals and developing qualified people to create a diverse workforce.
17. Agency staff briefed the Shipyard Citizens Advisory Committee ("CAC") on the details and the procurement of the Contract with Treadwell & Rollo for technical environmental services. The CAC expressed its support during its meetings in October and November 2009.
18. All costs associated with the Contract will be paid by HPS Development Co., LP in accordance with the terms and conditions set forth in the Shipyard's Phase 1 Disposition and Development Agreement, as well as the Shipyard Phase 2-Candlestick Point Exclusive Negotiations and Planning Agreement. The Contract will have no budgetary impact on the Agency.

19. Commission authorization of a new Contract with Treadwell & Rollo for technical environmental services is statutorily exempt from environmental assessment pursuant to Section 15262 of the California Environmental Quality Act Guidelines (Feasibility and Planning Studies). The Contract funds the provision of technical services for feasibility and planning studies that will not directly cause a change of the physical environment.

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 a Personal Services Contract with Treadwell & Rollo, Inc., a California corporation, substantially in the form lodged with the Agency General Counsel, for the period covering December 20, 2009 through December 19, 2012, for a total aggregate amount not to exceed \$1,449,260, for environmental services in connection with: (1) the enhanced dust monitoring program for the Phase 1 development at the Hunters Point Shipyard; (2) the review of technical documents relating to the remediation of Parcels B through F; and (3) the early 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