



City of Arts & Innovation

Successor Agency to the Redevelopment Agency of the City of Riverside

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 9, 2016

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 2
DEPARTMENT

SUBJECT: THIRD AMENDMENT TO THE PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH AMEC FOSTER WHEELER FOR CONDUCTING ADDITIONAL PHASE II ENVIRONMENTAL SITE ASSESSMENT AND PREPARATION OF A REMEDIAL ACTION PLAN FOR RIVERSIDE SCRAP IRON & METAL CORPORATION PROPERTY AS STIPULATED BY THE SUPERIOR COURT OF CALIFORNIA - INCREASE CONTRACT AMOUNT BY AN ADDITIONAL \$179,500 TO \$350,000

ISSUE:

Recommend that the Oversight Board adopt a resolution authorizing the City of Riverside as the Successor Agency to the Redevelopment Agency of the City of Riverside (Successor Agency) to enter into a Third Amendment to the Professional Consultant Services Agreement (Third Amendment) with Amec Foster Wheeler Environment & Infrastructure, Inc. (Amec Foster Wheeler) to increase the previously approved compensation of \$170,500 by an additional \$179,500 for a total of \$350,000 to complete the additional Phase II Environmental Site Assessment and prepare a Remedial Action Plan for the Riverside Scrap Iron & Metal Corporation property (Riverside Scrap), located at 2993 Sixth Street.

RECOMMENDATION:

That the Successor Agency recommend that the Oversight Board:

1. Adopt the attached resolution (Attachment 1) authorizing execution of the attached Third Amendment (Attachment 2) with Amec Foster Wheeler not to exceed \$350,000 to complete the Phase II Environmental Site Assessment and prepare a Remedial Action Plan for the Riverside Scrap property; and
2. Authorize the Executive Director, or his designee, to take any and all actions including making minor and non-substantive modifications and execute the attached Third Amendment with Amec Foster Wheeler.

BACKGROUND:

The Successor Agency and Riverside Scrap previously agreed to a settlement in 2010, the terms of which the Successor Agency is to complete Phase II Environmental Site Assessment (ESA) and preparation of a Remedial Action Plan (RAP) (Court Stipulated Environmental Activities),

for review and approval from a regulatory agency, with the U.S. Environmental Protection Agency (EPA) input, for the Riverside Scrap property.

On June 14, 2012, the Oversight Board approved a Professional Consultant Services Agreement (Agreement) with Amec Foster Wheeler (AMEC Environment & Infrastructure, Inc. at the time) for \$77,600 to conduct the Court Stipulated Environmental Activities for the Riverside Scrap property. Amec Foster Wheeler prepared a draft-sampling plan for the additional Phase II ESA. The Successor Agency submitted the plan to Riverside Scrap (Defendant) for review and comment. The Defendant requested extensive testing beyond the Successor Agency's proposal.

On December 13, 2012, the Oversight Board approved a First Amendment to the Agreement with Amec Foster Wheeler to allow the Successor Agency additional time to address the Defendant's comments and work with each other to arrive at a mutually acceptable solution. Staff and Amec Foster Wheeler met with the California Department of Toxic Substances Control (DTSC), the County of Riverside Department of Environmental Health (DEH) and the California Regional Water Quality Control Board – Santa Ana Region (Water Board) to determine the most expedient and cost efficient agency to provide the required regulatory agency oversight for the project. The Water Board accepted the regulatory oversight role, as it was already involved with the Riverside Scrap site regarding violation of its storm water runoff permit, possessed the State certifications to provide the oversight and had the capacity to oversee the project through completion of the RAP. Following the Water Board's acceptance of overseeing the Court Stipulated Environmental Activities for Riverside Scrap, staff and Amec Foster Wheeler met with the Water Board and asked to combine the data gap assessment work with the RAP in an effort to save the Successor Agency time and money. The Water Board rejected that approach and required a full delineation of the chemicals of concern (COCs), including primarily lead, arsenic and polynuclear aromatic hydrocarbons (PAHs) and polychlorinated biphenyls (PCBs) prior to the preparation of the RAP. In addition, after review of the scope of work for the data gap assessment, the Water Board requested sample locations for vertical and lateral delineation of the COCs. Amec Foster Wheeler prepared a sampling and analyses plan based on the Water Board's request.

On August 14, 2014, the Oversight Board approved a Second Amendment to the Agreement with Amec Foster Wheeler to extend the term of the contract until the RAP is approved by a regulatory agency and to increase funding from \$77,650 to \$170,500 to pay for the required environmental activities requested by the Water Board.

On December 23, 2014, the Water Board requested additional sampling to characterize soils and soil gas at the site. On February 19, 2015, the EPA requested additional sampling and specialized analyses for PCBs in soil. Amec Foster Wheeler addressed these sampling requirements in the revised sampling and analyses plans dated February 3, 2015 and March 25, 2015, respectively.

On December 9, 2015, Amec Foster Wheeler completed the additional Phase II ESA report and submitted it to the Water Board and EPA for review. The results of this most recent Phase II ESA plus historical investigation conducted from 2005 to 2011 identified the vertical extent of COCs that exceeded EPA Regional Screening Levels in the upper 2 feet of soil in all but one area of the Riverside Scrap property. The lateral extent of COCs exceeding EPA Regional Screening Levels in soil was delineated on the property but in some areas extended to the Riverside Scrap property line with adjacent residential properties. Due to the apparent health risk to the public, the Water Board requested installation of perimeter fencing and warning signage on the property, and Riverside Scrap complied with the Water Board's request.

Additionally, the Water Board requested the Successor Agency to provide the following items prior to the preparation of the RAP:

- a) A plan, sampling, and analyses for characterization of the on-site trash and debris prior to their disposal by Riverside Scrap; once the trash and debris has been removed by Riverside Scrap, Amec Foster Wheeler would conduct assessment of the native soil;
- b) An assessment plan, sampling, and analyses of native soils underlying trash and debris after the trash and debris have been removed; and
- c) An assessment plan, sampling, and analyses for off-site residential properties adjacent to the Riverside Scrap site.

DISCUSSION:

Staff met with the Water Board and EPA requesting Riverside Scrap and not the Successor Agency to conduct the above items because the Water Board's request would shift Riverside Scrap's on-site as well as off-site costs to the Successor Agency. EPA agreed with staff's request and facilitated multiple conference call meetings with the Successor Agency, Water Board, and DTSC to come up with the best approach to conduct the necessary assessment and subsequent remediation of the Riverside Scrap property.

After a few conference call meetings, DTSC was determined to be the best agency to enforce, oversee, and facilitate both on-site as well as off-site assessment and cleanup of the Riverside Scrap property. As such, the Water Board transferred the oversight of Riverside Scrap to DTSC. DTSC issued a voluntary clean-up letter to Riverside Scrap on April 28, 2016. On June 14, 2016, Riverside Scrap responded to DTSC by submitting an application and indicated its willingness to enter into a Voluntary Cleanup Agreement with DTSC for cleanup of the property.

While DTSC pursues cleanup of Riverside Scrap, staff anticipates the Successor Agency will be liable for the Court Stipulated Environmental Activities should Riverside Scrap decline to enter into a voluntary cleanup agreement with DTSC. Funding of \$170,500 previously approved by the Oversight Board has since spent on Phase II ESA activities required by the Water Board. Since it is difficult to anticipate the condition of the Riverside Scrap property and the results of subsequent additional Phase II ESA, staff is requesting the approval of an additional \$179,500, for a total contract amount of \$350,000, to complete the Court Stipulated Environmental Activities and activities associated with the preparation of the RAP. The amount of \$350,000 was originally projected by staff to be necessary to complete the Court Stipulated Environmental Activities and is listed on the Recognized Obligation Payment Schedule for expenditures from July 1, 2016 through June 30, 2017 (ROPS 16-17), which has been approved by both the Oversight Board and the Department of Finance.

At the request of Successor Agency, staff amended the scope of work. Amec Foster Wheeler submitted a proposal for the added required work, and staff believes that the attached proposal is a fair and reasonable price for the proposed work. Amec Foster Wheeler has been working with staff since the inception of this project. Due to their extensive level of prior involvement and familiarity with Riverside Scrap, staff recommends that the Successor Agency recommend that the Oversight Board adopt a resolution authorizing the Successor Agency to enter into a Third Amendment to the Agreement with Amec Foster Wheeler for an additional \$179,500 to conduct the necessary ESA and prepare the RAP for the Riverside Scrap property.

FISCAL IMPACT:

The funding increase of \$179,500 for the additional Phase II ESA will be paid from the project account 9865200-440446 that is funded by ROPS 16-17, which has been approved by both the Oversight Board and the Department of Finance.

Prepared by: Rafael Guzman, Community & Economic Development Director
Certified as to
availability of funds: Scott G. Miller, Interim Finance Director/Treasurer
Approved by: Al Zelinka, FAICP, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Resolution
2. Third Amendment Agreement with Amec Foster Wheeler