



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: MARCH 8, 2017

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF PERSONAL SERVICES AGREEMENTS BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND TETRA TECH, INC.; THE SOURCE GROUP, INC.; PARSONS ENVIRONMENTAL & INFRASTRUCTURE GROUP, INC; ANCHOR QEA, LLC; PACIFIC EDGE ENGINEERING, INC.; ECO & ASSOCIATES, INC.; AND LEIGHTON CONSULTING, INC. FOR AS-NEEDED SITE ASSESSMENT AND RESTORATION SERVICES

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve the proposed Personal Service Agreements (Agreements) with Tetra Tech, Inc. (Tetra Tech); The Source Group, Inc. (Source Group); Parsons Environmental & Infrastructure Group, Inc. (Parsons); Pacific Edge Engineering, Inc. (Pacific Edge); Anchor QEA, LLC (Anchor); Eco & Associates, Inc. (Eco); and Leighton Consulting, Inc. (Leighton), to provide the City of Los Angeles Harbor Department (Harbor Department) as-needed site assessment and environmental restoration services. This action will authorize seven Agreements, each for a three-year term, with a combined not-to-exceed amount of \$21,000,000. The Harbor Department is financially responsible for payment of services rendered under the proposed Agreements.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Find that in accordance with the City Charter Section 1022, work under the subject Agreements can be performed more feasibly by independent consultants rather than by City employees;

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3. Approve the proposed Agreements for a term of three-years each, with a combined contract total of \$21,000,000 as follows:
 - a. Tetra Tech, Inc. (Pasadena, CA) for \$4,500,000;
 - b. The Source Group, Inc. (Signal Hill, CA) for \$4,500,000;
 - c. Leighton Consulting, Inc. (Irvine, CA) for \$4,000,000;
 - d. Parsons Environmental & Infrastructure Group, Inc. for \$2,250,000;
 - e. Pacific Edge Engineering, Inc. (Mission Viejo, CA) for \$2,250,000;
 - f. Eco & Associates, Inc. (Irvine, CA) for \$1,750,000;
 - g. Anchor QEA, LLC, (Mission Viejo, CA) for \$1,750,000;
4. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreements, for and on behalf of the Board; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background/Context - Historic contamination of soil and groundwater in the Port of Los Angeles (Port) with hazardous and toxic wastes significantly affects or constrains the Harbor Department's ability to develop and reuse property and complete development projects on budget and schedule. Due to the technical and very specialized nature of work involving contaminated properties, consultant services are required to assist the Harbor Department in restoring properties to a usable condition; reduce environmental liabilities; comply with regulatory agency requirements; establish baseline environmental conditions for lease terms and renewals; and, to assist other divisions in the Harbor Department with development projects impacted by soil and groundwater contamination.

There are currently more than 100 known contaminated sites on Port property that will need to be addressed in the coming years. As a result, and as described below, the Environmental Management Division (EMD) requests \$21,000,000 for a three-year term, as it is anticipated that a substantial amount of site assessment work will continue to be required in connection with planned development activity in the coming years.

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Services to be Performed – Consultant assistance is necessary to assess the condition of properties, identify potential soil and groundwater contamination, determine the nature and extent of contamination, develop cost estimates and schedules associated with remediation of sites, and provide other technical expertise as needed to comply with regulatory requirements. Examples of the contractual services to be performed under the proposed Agreements (Transmittals 1a-1g) include the following:

- Conduct Phase I Environmental Site Assessments.
- Perform Remedial Investigations/Site Characterization of soil and/or groundwater.
- Design and implement Remedial Feasibility Studies and Action Plans.
- Prepare and submit Site Closure Reports to regulatory agencies.
- Assist in Regulatory Agency Coordination.
- Provide environmental Support during Construction and Development Projects and/or Real Estate Transactions.
- Provide Technical Expertise and Design Services to assess potential environmental emerging technologies.
- Oversee Tenant's Environmental Cleanup.
- Provide Litigation Support Services to City Attorney's Office.

At present, EMD's site assessment and restoration group includes four staff members with expertise in conducting and managing environmental assessment and remediation projects, and managing hazardous waste and emergency services. Staff serves as project managers for over 100 projects. Consultant services are required because specialized technical expertise is needed to carry out the above-described work, especially considering the potentially dangerous and toxic conditions of the work environment. Much of the work requires the operation and maintenance of specialized equipment for environmental monitoring in various media including soil and groundwater, and numerous specializations, such as hydrogeology, chemistry, computer modeling, and microbiology. At this time, it is neither practical nor cost-effective for the Harbor Department to significantly increase permanent staff to conduct the activities outlined in the scope of work. The selected firms have the resources to efficiently provide the specialized services needed to respond to the Harbor Department's environmental regulatory requirements and needs.

A more detailed description of the Scope of Work is included in the proposed Agreements (Transmittal 2).

Work Assignments - Work assigned under the proposed Agreements will be authorized on an as-needed basis through a project directive (PD) process and approved by the Executive Director. Each PD will include a detailed scope of work, schedule, Small

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Business Enterprise (SBE) and Very Small Business Enterprise (VSBE) participation level, and cost estimate.

The current As-Needed Site Assessment and Restoration Agreements are authorized for a combined not-to-exceed amount of \$21,000,000 and an anticipated spending of \$15,000,000 is projected by their expiration in April 2017. Staff recommends maintaining the combined contract agreement amount at \$21,000,000 to ensure funding is available due to several large remediation projects anticipated within the duration of these contracts. Actual amounts to be expended under the contracts will be determined through the annual budget process.

Selection Process - On May 2, 2016, a Request for Proposals (RFP) was released and posted on the Port's website and the Los Angeles Business Virtual Network. In its commitment to maximize opportunities for local and regional businesses, the RFP was issued under the Local Business Preference Program where eligible prime consultants received an eight percent (8%) preference in their selection scores for qualifying as a Local Business Enterprise.

The Harbor Department received 21 proposals on May 31, 2016. All but four of the firms were local businesses and eligible for the eight percent (8%) preference in their selection score. The listing of all proposers and their classification is attached in Transmittal 3. The RFP criteria for evaluation focused on project management, firm qualifications, technical expertise, and rates and fees.

The proposals and interviews were conducted by three members of EMD and one member from Port of Long Beach. Proposals were reviewed using evaluation criteria published in the RFP (Transmittal 4). Thirteen of the 21 proposers, listed below, were short-listed and invited to interview.

- | | |
|----------------------------|------------------|
| - Eco | - Anchor |
| - Ninyo & Moore | - E2 |
| - Tetra Tech | - Leighton |
| - Rincon Consultants, Inc. | - Source Group |
| - Amec Foster Wheeler | - ERM-West, Inc. |
| - Parsons | - Pacific Edge |
| - Accord Engineering, Inc. | |

Interview questions were developed from the criteria advertised in the RFP to assess the breadth and depth of the firms' expertise (Transmittal 5). Interviews were conducted from October 20-22, 2016. The evaluation panel completed the scoring on the strength of the interviews.

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EMD is recommending that the Harbor Department enter into three-year term Agreements with the following seven firms identified as the most qualified:

• Tetra Tech	\$ 4,500,000
• Source Group	\$ 4,500,000
• Leighton	\$ 4,000,000
• Pacific Edge	\$ 2,250,000
• Parsons	\$ 2,250,000
• Anchor	\$ 1,750,000
• Eco	\$ 1,750,000
	<u>\$ 21,000,000</u>

A summary of the proposal and oral interview scoring is provided as Transmittal 6. For Anchor and Parsons, this is their first opportunity to provide environmental services to the Harbor Department's Site Restoration Group. Tetra Tech, Source Group, Pacific Edge, Leighton, and Eco are returning firms.

EMD assigned not-to-exceed amounts to each Agreement based on the categories of work and services to be performed. Actual assignments for work will be made based on budget allocations in each fiscal year. Further, where appropriate, consultants will be asked to submit proposals for work in order to obtain competitive costs for various work assignments.

Small Business Development Program – Each Agreement will include a 25% Small Business Development (SBE) goal including a 5% Very Small Business Enterprise (VSBE) goal. These requirements can be met through the prime consultant or subconsultants. The SBE and VSBE commitment levels will be specified when work is authorized under each PD. Pacific Edge is both a certified SBE and VSBE; therefore 100% of their services will apply to each of these goals. Eco is a certified SBE and therefore, 100% of their services will apply towards the SBE goal. If all the funds are expended in these contracts (\$21,000,000), the consultants will cumulatively achieve an SBE participation level of 10% (\$4,000,000), and a VSBE participation level of 10% (\$2,250,000). All firms will be required to submit a monthly subconsultant report indicating the level of compliance of these goals.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of seven Agreements for as-needed site assessment and environmental restoration services, which is an administrative activity. As such, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Agreements authorizes a total amount not-to-exceed \$21,000,000 for as-needed site restoration services over a three-year period. It is anticipated that funds for these Agreements will be expended as follows:

FY 2016/17	\$ 1,700,000
FY 2017/18	\$ 7,000,000
FY 2018/19	\$ 7,000,000
FY 2019/20	<u>\$ 5,300,000</u>
TOTAL	\$21,000,000

Funds for FY 2016/17 in the amount of \$1,700,000 are available as follows: \$500,000 in Account 54260, Center 0330 (EMD), Program 000, and \$1,200,000 in Account 21995, Center 7000 (Liability), Program 000.

The Harbor Department's financial obligations after the current fiscal year are contingent upon the Board appropriation of funds. If any subsequent fiscal year funds are not appropriated by the Board for the work required by the Agreements, the Agreements shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred. A funding out clause is included in each Agreement.

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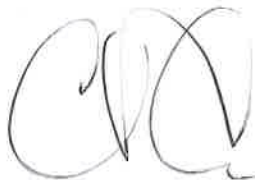
CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed Agreements as to form and legality.

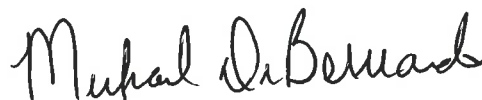
TRANSMITTALS:

- 1a. Agreement with Tetra Tech, Inc.
- 1b. Agreement with The Source Group, Inc.
- 1c. Agreement with Parsons Environment & Infrastructure Group, Inc.
- 1d. Agreement with Anchor QEA, LLC
- 1e. Agreement with Pacific Edge Engineering, Inc.
- 1f. Agreement with Leighton Consulting, Inc.
- 1g. Agreement with Eco & Associates, Inc.
2. Scope of Work
3. Proposal List
4. RFP Selection Evaluation Form
5. Interview Form
6. Selection Process

FIS Approval:  (initials)
CA Approval:  (initials)



CHRISTOPHER CANNON
Director of Environmental Management



MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



For
EUGENE D. SEROKA
Executive Director

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