



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: MARCH 26, 2014

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF PERSONAL SERVICES AGREEMENTS WITH TETRA TECH, INC.; THE SOURCE GROUP, INC.; ACCORD ENGINEERING, INC.; ERM-WEST, INC.; PACIFIC EDGE ENGINEERING, INC.; RINCON CONSULTANTS, INC.; ECO & ASSOCIATES, INC.; AND LEIGHTON CONSULTING, INC. FOR AS-NEEDED SITE ASSESSMENT AND RESTORATION SERVICES

SUMMARY:

The Environmental Management Division (EMD) recommends approval of Personal Service Agreements (Agreements) with Tetra Tech, Inc. (Tetra Tech); The Source Group, Inc. (Source Group); Rincon Consultants, Inc. (Rincon); ERM-West, Inc. (ERM); Pacific Edge Engineering, Inc. (Pacific Edge); Accord Engineering, Inc. (Accord); Eco & Associates, Inc. (Eco); and Leighton Consulting, Inc. (Leighton), to provide as-needed site assessment and environmental restoration services. Examples of these services include conducting environmental site characterizations, soil and groundwater investigations, site cleanups, environmental media management, oversight of tenant remediation activities, due diligence, and environmental regulatory compliance. This action will authorize eight Agreements each having a three-year contract term and for a combined not-to-exceed amount of \$21,000,000.

RECOMMENDATION:

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

1. 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;
2. Approve the Agreement with Tetra Tech, Inc. (Pasadena, CA) for a term of three years for the total not-to-exceed amount of \$5,750,000;

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3. Approve the Agreement with The Source Group, Inc. (Signal Hill, CA) for a term of three years for the total not-to-exceed amount of \$4,750,000;
4. Approve the Agreement with Accord Engineering, Inc. (Santa Ana, CA) for a term of three years for the total not-to-exceed amount of \$1,250,000;
5. Approve the Agreement with ERM-West, Inc. (Irvine, CA) for a term of three years for the total not-to-exceed amount of \$1,500,000;
6. Approve the Agreement with Pacific Edge Engineering, Inc. (Mission Viejo, CA) for a term of three years for the total not-to-exceed amount of \$2,000,000;
7. Approve the Agreement with Rincon Consultants, Inc. (Ventura, CA) for a term of three years for the total not-to-exceed amount of \$1,250,000;
8. Approve the Agreement with Leighton Consulting, Inc. (Los Angeles, CA) for a term of three years for the total not-to-exceed amount of \$2,750,000;
9. Approve the Agreement with Eco & Associates, Inc. (Orange, CA) for a term of three years for the total not-to-exceed amount of \$1,750,000;
10. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreements, for and on behalf of the Board; and
11. 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 City of Los Angeles Harbor Department's (Harbor Department) 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 terminations and renewals; and to assist other Divisions in the Harbor Department with development projects impacted by soil and groundwater contamination.

The current As-Needed Site Assessment and Restoration Agreements have a combined not-to-exceed amount of \$24,600,000 and are listed below with invoice information as of 2/28/14:

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Agreement No.	Agreement Amount	Invoiced	Balance	Expiration Date
2959 (Tetra Tech, Inc.)	\$ 7,400,000	\$ 5,012,325	\$ 2,387,675	4/25/14
2960 (The Source Group, Inc.)	\$ 6,250,000	\$ 2,875,982	\$ 3,374,018	4/27/14
2961 (WorleyParsons, Group Inc.)	\$ 2,100,000	\$ 1,702,032	\$ 397,968	4/27/14
2962 (ERM-West, Inc.)	\$ 1,900,000	\$ 1,327,073	\$ 572,927	5/18/14
2963 (Pacific Edge Engineering, Inc.)	\$ 2,000,000	\$ 1,443,202	\$ 556,798	4/25/14
2964 (Ninyo & Moore)	\$ 1,950,000	\$ 1,474,455	\$ 475,545	4/27/14
2965 (Leighton Consulting, Inc.)	\$ 1,900,000	\$ 1,297,887	\$ 602,113	5/03/14
2966 (Eco & Associates, Inc.)	\$ 1,100,000	\$ 461,973	\$ 638,027	4/25/14
TOTAL:	\$24,600,000	\$15,594,929	\$9,005,071	

In addition to the invoiced amount, \$5,465,235 has been assigned in specific Project Directives, which will be completed and invoiced by the end of the agreements term. These current As-Needed Site Assessment and Restoration Agreements are for a contract period of three (3) years, expiring on April 25 through May 18, 2014.

An average amount of more than \$7,000,000 has been spent each fiscal year during the three-year contracting period, resulting in total expenditures of about \$21,000,000. A similar level of activity is also anticipated in the upcoming years based on ongoing regulatory/litigation-driven projects and planned site assessment projects requested by other Harbor Department divisions. 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, EMD requests \$21,000,000 for the next 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.

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 Agreements (Transmittal 1a-h) 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,
- Conduct Environmental Compliance Assessments (ECA) to determine potential environmental impacts and liabilities from Port operations,
- Assist in Regulatory Agency Coordination,
- Provide Technical Expertise and Design Services to assess potential environmental emerging technologies,
- Review Environmental Documents, and

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- Provide Litigation Support Services.

As discussed above, the amounts that may be spent on these contractual services for ongoing and new projects, under these new Agreements, is anticipated to be similar to expenditures during the past three years.

At present, EMD's site assessment and restoration group includes three (3) staff members with expertise in conducting and managing environmental assessment and remediation projects. Staff serves as project managers for over 100 projects. Consultant services are required because specialized technical expertise and equipment are needed to carry out the above-described work, especially considering the potentially dangerous and toxic conditions of the work environment. 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 number and types of projects are highly variable. Much of the work requires the operation and maintenance of specialized equipment for environmental monitoring, including soil and numerous disciplines, such as hydrogeology, chemistry, computer modeling, and microbiology. 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 attached as Transmittal 2.

Work Assignments - Work assignments and services will be provided on an as-needed basis. The work will be authorized through a Project Directive (PD) process. Three selection procedures will be employed, depending upon the situation. Where ongoing work is being carried out by a particular technical consultant, the same consultant could be selected to continue, to the extent it is cost-effective to do so. For simple straight forward work, a rotation list will be used with technical consultants selected in sequence as projects arise. The rotation list is included as Transmittal 3. Finally, for larger tasks or for tasks requiring more specialized skills, an internal Request for Proposals will be issued to each site assessment and restoration on-call consultant, and the consultant whose skills, experience and costs best apply will be selected. Each PD will include a detailed scope of work, schedule, Small Business Enterprise (SBE) and Very Small Business Enterprise (VSBE) participation level, and cost estimate, and will be reviewed and approved at the Deputy Executive Director level.

Selection Process - On July 23, 2013, 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 proposals from twenty nine (29) firms. All but one firm were local businesses and eligible for the eight percent (8%) preference in their

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selection score. The listing of all proposers and their classification is attached in Transmittal 4. The RFP criteria for evaluation of the proposals focused on project management, firm qualifications, technical expertise, and rates and fees. The evaluation criteria were included in the RFP for each proposer to review and understand the selection process. The criteria are shown on the Environmental Site Assessment and Restoration Services RFP Selection Evaluation Form (Transmittal 5).

The proposals and interviews were evaluated by two Environmental Specialists and an Environmental Affairs Officer from EMD, and a Manager of Environmental Remediation from the Port of Long Beach. Based on the ranking results, the following 16 firms were invited to interview.

- Eco & Associates, Inc.
- Ninyo & Moore
- Tetra Tech, Inc.
- Rincon Consultants, Inc.
- Amec
- WorleyParsons Group, Inc.
- Accord Engineering, Inc.
- E2 Manage Tech
- Parsons
- Arcadis
- Leighton Consulting, Inc.
- The Source Group, Inc.
- ERM-West, Inc.
- Pacific Edge Engineering, Inc.
- Geosyntec Consultant
- EnviroCompliance Solutions

Interviews were conducted from December 9 through December 19, 2013. The firms were evaluated under the following six criteria with the accompanying weighting factor shown in parentheses. The Interview Evaluation Form is enclosed in Transmittal 6.

- Firm Qualifications and Experience (15%),
- Project Organization and Personnel (25%),
- Technical Approach (20%),
- Project Management (15%),
- Performance of Scope of Work (10%)
- Quality and Responsiveness of Proposal (15%)

The following eight highest scoring firms were recommended for contract negotiations and award allocations:

Tetra Tech, Inc.	\$5,750,000;	3-year contract
The Source Group, Inc.	\$4,750,000;	3-year contract
Accord Engineering, Inc.	\$1,250,000;	3-year contract
ERM-West, Inc.	\$1,500,000;	3-year contract
Pacific Edge Engineering, Inc.	\$2,000,000;	3-year contract
Rincon Consultants, Inc.	\$1,250,000;	3-year contract
Leighton Consulting, Inc.	\$2,750,000;	3-year contract
Eco & Associates, Inc.	\$1,750,000;	3-year contract

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These eight firms were selected to provide the as-needed services to maximize the number of firms and opportunities to work for the Harbor Department (Transmittal 7). For Accord and Rincon, this is their first opportunity to provide environmental services to the Harbor Department. Tetra Tech, Source Group, ERM, Pacific Edge, Leighton, and Eco are returning firms.

The selection committee assigned the not-to-exceed amounts for each agreement based on several factors:

- Ongoing high profile work involving regulatory agency orders and/or environmental support on litigation issues;
- Demonstrated technical skills and experience;
- Strengths and resources of each firm; and
- Project continuity and cost effectiveness.

Although all selected proposers demonstrated the highest degree of qualifications, for the purpose of these allocations, two have been assigned higher contract authority based upon both currently understood yet non-specifically defined projects and other anticipated complex yet unknown projects. However, as stated above, for new projects with significant scopes of work and duration, a competitive process or a rotation list may be used in order to optimize efficiencies and costs, and provide an opportunity for different ideas and approaches. This is expected to ensure that the new firms have ample opportunity to demonstrate their capabilities and compete for significant scopes of work, and could result in the new firms ultimately receiving even greater work than is anticipated based on favorable performance.

Small Business Enterprise and Very Small Business Enterprise Programs - The consultant agreements will include a 25% SBE and a 5% VSBE participation requirement. The SBE participation commitment level will be specified when work is assigned for each scope of work. Pacific Edge is both a certified SBE and VSBE; therefore 100% of their services will apply to each of these goals. In addition, Eco, Source Group, Rincon, and Accord are certified SBEs and therefore, 100% of their services will apply towards the SBE goal. If all the funds are expended in these contracts, the consultants will cumulatively achieve an SBE participation level of 64% (\$13.5 million), and a VSBE participation level of 14% (\$2.9 million). The composition of each contractor team is attached as Transmittal 8.

ECONOMIC BENEFITS:

Spending up to \$21,000,000 under these Agreements will support up to 237 direct and 157 secondary one-year-equivalent jobs in the five-county region.

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ENVIRONMENTAL ASSESSMENT:

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

FINANCIAL IMPACT:

The proposed three-year Agreements authorize a total amount not-to-exceed \$21,000,000. It is anticipated that funds for these Agreements will be expended as follows:

FY 2013/14	\$ 1,000,000
FY 2014/15	\$ 7,500,000
FY 2015/16	\$ 7,500,000
FY 2016/17	\$ 5,000,000
TOTAL	\$21,000,000

Funds for FY 2013/14 in the amount of \$1,000,000 are available as follows: \$500,000 in Account 54260, Center 330 (Environmental Management Division), Program 000, \$400,000 in Account 21995, Center 7000 (Liability), Program 000, and \$100,000 in Account 54260, Center 1000 (Capital Improvement Program), Program 000. With the proposed Agreements, the estimated total spending in FY 2013/14 would be \$2,400,000 in Center 0330, \$6,000,000 in Center 7000 and \$122,000 in Center 1000. Funding needed in future fiscal years will be requested through the annual budget adoption process upon Board approval.

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:

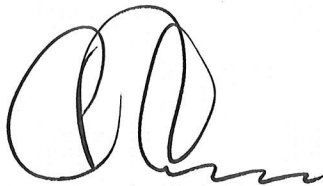
The Office of the City Attorney has prepared and approved the proposed Agreements as to form and legality.

TRANSMITTALS:

- 1a. Agreement with Tetra Tech, Inc.
- 1b. Agreement with The Source Group, Inc.
- 1c. Agreement with Accord Engineering, Inc.
- 1d. Agreement with ERM-West, Inc.
- 1e. Agreement with Pacific Edge Engineering, Inc.
- 1f. Agreement with Rincon Consultants, Inc.
- 1g. Agreement with Leighton Consulting, Inc.
- 1h. Agreement with Eco & Associates, Inc.
2. Scope of Work
3. Rotation List
4. Proposal List
5. RFP Selection Evaluation Form
6. Interview Evaluation Form
7. Selection Process
8. Consultant Team Composition

FIS Approval:  (initials)

CA Approval:  (initials)



CHRISTOPHER CANNON
Director of Environmental Management



MICHAEL R. CHRISTENSEN, P.E.
Deputy Executive Director

APPROVED:



GARY LEE MOORE, P.E.
Interim Executive Director