

CITY OF YUBA CITY  
STAFF REPORT

**Date:** February 5, 2008  
**To:** Honorable Mayor & Members of the City Council  
**From:** Public Works  
**Presentation by:** George L. Musallam, Public Works Director

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**Summary**

**Subject:** Professional Services Agreement with Tepas EC for environmental remediation services for the Corporation Yard Hazardous Materials Clean-Up Project.

**Recommendation:**

- a) Authorize the City Manager to execute a Professional Services Agreement with Tepas EC of Beale AFB, California for environmental remediation services at the City's Corporation Yard (AP# 51-530-018) located at 1185 Market Street, in an amount not to exceed \$346,978, with the finding that it is in the best interest of the City.
- b) Authorize a total transfer of \$376,978 consisting of \$94,244.50 each from Account Nos. 7120-Z69990 (Water Fund – Transfer Out), 98005-65501 (Sewer CIP – Recurring Plant Projects), 921025-65501 (Streets and Road CIP – Drainage Improvements), and 301-30560 (General Fund – Unallocated Reserve) to Account No. 99012 (Corporation Yard Hazardous Materials Clean-Up).

**Fiscal Impact:** Up to \$376,978 to be funded from Account No. 99012 (Corporation Yard Hazardous Materials Clean-Up), broken down as follows:

- \$366,978.00 – Account No. 99012-65501 (Corporation Yard Hazardous Materials Clean-Up – Construction)
- \$10,000.00 – Account No. 99012-65503 (Corporation Yard Hazardous Materials Clean-Up – Construction Management)

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**Background:**

In December 1992, the City removed three single wall underground storage tanks (UST's) at its Corporation Yard located at 1185 Market Street in Yuba City. These tanks consisted of a 3,000-gallon gas tank, a 500-gallon diesel tank, and a 500-gallon waste oil tank. The tanks were used for fueling operations until their removal.

At the time of removal, no visible signs of leaks from the tanks were noted. But a discharge line from one of the tanks showed evidence of leakage, so the adjacent soil was tested. Gasoline, Diesel, Benzene, Xylene's and Ethylbenzene were detected in the adjacent soil. Contaminated soils were removed, stockpiled on-site, and subsequently treated with a bio-active media. Upon re-sampling of the soil stockpile after treatment, the soil was approved for use as on-site fill material.

Groundwater samples were then collected, analyzed, and found to also contain Gasoline, Diesel, Benzene, Xylene's and Ethylbenzene. A groundwater monitoring plan was approved in November 1995 and quarterly monitoring of all site wells commenced in March 1996. Results of the groundwater monitoring program indicate that the contaminants are slowly degrading by natural processes. However, the current rate of degradation within the core of the plume is so slow that it would take an estimated 75 years to bring this site into regulatory compliance.

Since the groundwater monitoring program requires approximately \$12,000 per quarter, staff has explored options for accelerating the cleanup process. Specifically, Public Works solicited sealed proposals for professional environmental remediation services intended to bring the site to closure. Proposals were sent to seven firms specializing in environmental remediation of UST sites, including the City's current consultant that is under contract to perform quarterly monitoring and reporting at the site. Proposals were also sent to a Sacramento area consultant information network.

Proposals were received from three firms. Staff evaluated and ranked the proposals according to criteria provided in the request for proposals and is recommending that the City enter into a Professional Services Agreement with Tepas EC of Beale AFB, California.

**Analysis:**

On September 12, Public Works staff sent proposals to seven firms specializing in environmental remediation services for UST cleanup projects. A proposal was also provided to a Sacramento area consultant information network. The firms receiving a proposal are shown in Table 1.

**Table 1: Request for Proposal Mailing List**

COMPANY	LOCATION
A/E Consultants Information Network (CIN)	Sacramento, CA
Applied Engineering and Geology, Inc.	Lincoln, CA
Fugro West, Inc.	Oakland, CA
Great Pacific Associates	El Dorado, CA
Iris Environmental, Inc.	Oakland, CA
Kwest Engineering, Inc.	Yuba City, CA
SECOR International	Rancho Cordova, CA
Tepas EC	Beale AFB, CA

On October 19, proposals were received from Applied Engineering and Geology, Great Pacific Associates, and Tepas EC. A team of three City staff members evaluated and ranked the proposals according to criteria provided in the RFP and shown in Table 2.

**Table 2: Criteria Weighting Table**

Proposal Responsiveness & Quality Evaluation Criteria	Maximum Score
1. Understanding of project background and required scope of services.	20
2. Background and experience of firm and personnel identified to perform the scope of work specified.	30
3. Past performance and service on similar projects and success in attaining site closure.	30
4. Proposed methodology for attaining site closure and ability to perform the scope of work specified.	<u>20</u>
<b>TOTAL</b>	<b>100</b>

Staff review of the proposals was performed independently and cost was not considered during the rating process. Proposal rankings are attached to this staff report. The proposal from Great Pacific Associates was deemed unresponsive because it did not list any projects of a similar nature that Great Pacific Associates has recently performed and completed, nor did it propose a treatment method for attaining site closure. Detailed notes of the proposal review are available at the Public Works Department.

Staff unanimously selected Tepas EC as the top firm that would best meet the project objectives. This selection is based on their review of project files and understanding of the project, their proposed cleanup methodology, and their success in bringing similar area sites to regulatory closure. Upon completion of the consultant rankings, staff then opened cost estimates submitted by each consultant under separate, sealed cover. Review of the cost estimates confirmed that Tepas EC had the best overall understanding of the project and proposed methodology to achieve site closure. Additionally, Tepas EC was found to be the most cost competitive on an hourly and unit cost basis. A summary of the costs submitted by the two responsive consultants is attached to this staff report.

**Fiscal Impact:**

Tepas EC's proposal was for a cost not to exceed \$326,151 assuming 8 quarters of monitoring and reporting required by the State. However, a total of 10 quarters of monitoring and reporting are now expected to be required to bring the site to closure. Therefore, staff recommends the proposed Professional Services Agreement be for an amount not to exceed \$346,978 to be paid out of Account No. 99012-65501 (Corporation Yard Hazardous Materials Clean-Up – Construction).

Staff requests an additional \$20,000 to fund a new electrical service required to operate the treatment system proposed for this project, to be paid out of Account No. 99012-65501 (Corporation Yard Hazardous Materials Clean-Up – Construction). This is a not-to-exceed amount. Only the actual charges incurred by PG&E will be paid for the new service. If at all possible, the electrical service will be designed so that it will accommodate future growth of the Corporation Yard facilities.

Staff further requests an additional \$10,000 for construction management of the cleanup project to be paid out of Account No. 99012-65503 (Corporation Yard Hazardous Materials Clean-Up – Construction Management).

The Corporation Yard site has received a Letter of Commitment from the State Underground Storage Tank Cleanup Fund (State Cleanup Fund). This means that most of the above costs are eligible for reimbursement by the State. Certain costs, such as increasing the size of the electrical service to accommodate future growth of Corporation Yard facilities, are not eligible. Reimbursement is subject to availability of funds and the City's Letter of Commitment will have to be amended by State Water Resources Control Board (SWRCB) staff in order for the City to receive reimbursement of all eligible costs. However, SWRCB staff responsible for administering the State Cleanup Fund has verbally assured City staff that the Letter of Commitment will be amended to include all eligible costs for cleanup of this site up to \$1 million. The State Cleanup Fund is funded by fees collected from petroleum underground storage tank owners and generates in excess of \$240 million annually. City staff will make every effort to achieve full reimbursement of all eligible costs associated with this cleanup.

The total fiscal impact of the above recommendations is up to \$376,978, not including any reimbursements from the State Cleanup Fund. The budget for Account No. 99012 (Corporation Yard Hazardous Materials Clean-Up) is not sufficient to accommodate this amount. Staff is requesting a total transfer of \$376,978 consisting of \$94,244.50 each from Account Nos. 7120-Z69990 (Water Fund – Transfer Out), 98005-65501 (Sewer CIP – Recurring Plant Projects), 921025-65501 (Streets and Road

CIP – Drainage Improvements), and 301-30560 (General Fund – Unallocated Reserve) to Account No. 99012 (Corporation Yard Hazardous Materials Clean-Up).

The nature of underground storage tank cleanup projects makes it difficult to accurately identify actual costs over the expected life of the project. If at any time during the course of this project changes to the assumptions made in developing the estimated costs for the project are encountered, staff will bring to Council any necessary modifications to the professional services agreement.

**Alternatives:**

Delay or modify the Professional Services Agreement, or reject the proposal from Tewa EC and direct staff to continue quarterly monitoring and reporting of the site allowing natural attenuation to occur.

**Recommendation:**

Authorize the City Manager to execute a Professional Services Agreement with Tewa EC of Beale AFB, California for environmental remediation services at the City's Corporation Yard (AP# 51-530-018) located at 1185 Market Street, in an amount not to exceed \$346,978, with the finding that it is in the best interest of the City and authorize a total transfer of \$376,978 consisting of \$94,244.50 each from Account Nos. 7120-Z69990 (Water Fund – Transfer Out), 98005-65501 (Sewer CIP – Recurring Plant Projects), 921025-65501 (Streets and Road CIP – Drainage Improvements), and 301-30560 (General Fund – Unallocated Reserve) to Account No. 99012 (Corporation Yard Hazardous Materials Clean-Up).

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CITY OF YUBA CITY  
STAFF REPORT

Corporation Yard Hazardous Materials Clean-Up  
2007 Request for Proposals

Proposal Rankings<sup>1</sup>

Task	AEG	Great Pacific	Tepa EC
1. Understanding of Project	17.3	Not Responsive	18.7
2. Background and Experience of Firm	28.0		28.3
3. Past Performance on Similar Projects	26.7		27.7
4. Methodology for Attaining Site Closure	16.3		19.0
Totals	88.3		93.7

Notes:

1. Proposal rankings represent the average of three independent reviewers.

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2007 Request for Proposals

Summary of Cost Proposals

Task	AEG <sup>1</sup>	Tepa EC <sup>2</sup>
1. Review Project Files	\$8,415	\$25,064
2. Quarterly Monitoring and Reporting	\$84,444	\$83,308
3. Prepare and Implement Corrective Action Plan	\$202,370	\$211,238
4. Prepare Site Closure Request	\$9,360	\$6,451
Totals	\$304,589	\$326,151
<i>Key Labor Rates</i>		
Project Manager	\$175/hr	\$80/hr
Field Technician	\$80/hr	\$55/hr

Notes:

1. AEG's cost of implementing the corrective action plan does not include a pilot study and falsely assumes that the State would not require a chromium base study for the recommended treatment method.
2. Tepa EC reviewed project files prior to preparing a proposal. Tepa EC's cost for Task 1 is for a pilot study to confirm the appropriateness of the proposed treatment method and support development of a Corrective Action Plan.