

CITY OF RICHMOND
Pt. Molate Community Advisory Committee

Monday, May 20, 2013 6:30 PM
Multi-Purpose Room, 440 Civic Center Plaza

AMENDED AGENDA

Members:

Bruce Beyaert
Vice-Chair

Joan Garrett
Chair

Paul Carman

Dorothy Gilbert

Jim Hite

Jeanne Kortz

Eduardo Martinez

Joseph Puleo

Charles T. Smith

Nina G. Smith

Pam Stello

Mary H. Sundance

Eileen Whitty

1. **Call to Order** (1 min.)
2. **Roll Call** (1 min.)
3. **Welcome and Meeting Procedures** (1 min.)

Individuals who would like to address the committee on matters not listed on the agenda may do so under Open Forum. Please file a speaker's card with the note taker prior to the commencement of Open Forum. Individuals who want to comment on an individual item, please file a speaker's card before the item is called. The standard amount of time for each speaker will be three minutes.

At 8:30 PM, any items remaining on the agenda that require immediate attention may be taken out of turn, as necessary. All other items will be continued to another or the following committee meeting in order to make fair and attentive decisions. This meeting adjourns at 9:00 PM. The meeting may be extended by a majority vote of the committee.

4. **Agenda Review and Adoption** (2 min.)
The order in which items will be heard may be adjusted at this time. In addition, items may be removed from or placed on the Consent Calendar at this time.
 - a. **Consideration of hearing additional item under emergency basis per Government Code Section 54954.2(b)(2): Review of proposed contract renewal with Nichols Consulting Engineers to be heard as item 7d if adopted. Proposed contract renewal on City Council Agenda for May 21, 2013.**

5. **Announcements through the Chair** (6 min.)
 - a. CalTrans I-580 Scofield Ave. and Western Drive Bridge Decks Replacement Project

6. **Open Forum** (3 minutes per person limit)

7. **Presentations, Discussion & Action Items** (70 min.)
 - a. Overview of Presidio Trust and application of trust concepts to public/private development and park management. - Presentation by Craig Middleton, Executive Director, the Presidio Trust (20 min.) Q&A (5 min.)
 - b. Costing Estimates for cleanup of all of former NFD Pt. Molate to unrestricted use standards, including expenditures to date – Presentation by Bill Carson for Terraphase. (20 min.) Q&A (5 min.)
 - c. Review of proposed PMCAC first term summary report - Presentation by Joan Garrett. (15 min.) Q&A (5 min.)

8. **Staff Reports** (3 min.)
Following discussion of each item, the Committee may vote to make recommendations to staff or to the City Council.
 - a. Review of fund balances for Pt. Molate General Fund budget and Navy Escrow Account – (2 min.)
 - b. Committee Log for PMCAC inquiries to staff, contractors – (1 min.).
 - c. Review of proposed parking plan for Pt. Molate – (1 min.).

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9. Consent Calendar (2 min.)

Items on the consent calendar are considered matters requiring little or no discussion and will be acted upon in one motion

- a. APPROVE – PMCAC meeting minutes of April 15, 2013

10. Future Agenda Items (5 min.)

11. City Council Liaison Reports (7 min.)

- a. Report by Councilmember/Mayor McLaughlin regarding recent issues in Richmond relevant to the Advisory Committee. (5 min.)
- b. PMCAC appointment status – TBD (2 min.)

12. Chair and Sub-Committee Reports (21 min.)

Following discussion of each item, the Committee may vote to make recommendations to staff or to the City Council.

- a. Clean-Up and Restoration (12 min.)
- Synopsis of Terraphase Monthly Status report of March 2013
 - Synopsis of Q12013 PGWTP QMR
 - Notice of Water Board meeting re: FS/RAP for IR Site 3 – June 11, 2013
- b. Community Outreach (5 min.)
- Arts Night Status
 - General Outreach Activities
- c. Grant Development (2 min.)
- Grant App. Status
- d. Beach (2 min.)
- Proposed beach park signage
 - Baykeeper marine debris cleanup progress
- e. Chair (1 min.)
- Appreciation of Service to first term committee members
 - Identification of pending schedule conflicts

13. Adjournment of PMCAC regular meeting

Scheduled Meetings

Committee Meeting - Monday, June 17, 2013, 6:30pm

This meeting is held in a building that is accessible to people with disabilities. Persons with disabilities, who require auxiliary aids of services using city facilities, services or programs or would like information of the city's compliance with the American Disabilities Act (ADA) of 1990, contact: Rochelle Monk, City of Richmond (510) 620-6511 (voice).

Pt. Molate Community Advisory Committee Staff Liaison Contact: Craig K. Murray (510) 307-8140, craig_murray@ci.richmond.ca.us. Agenda and minute information on the PMCAC can be found on the City Clerk's web location: <http://ca-richmond2.civicplus.com/index.aspx?NID=2442> Additional correspondence can be directed to PtMolateCAC@gmail.com

PMCAC Repository Information is available at: <https://docs.google.com/open?id=0B9WXrZeb-72MzVkJZWQ1ZDQ0tNW1wNC00ZjE4LTgxYjctOTQyMDk4Y2FjNDYw>

Memorandum

To: Craig Murray, City Staff to Pt. Molate Community Advisory Committee

From: Joan Garrett, Chair, Pt. Molate Community Advisory Committee

Date: 5/20/2013

Re: Proposed Agenda Amendment for 5-20-13 PMCAC Meeting

Placement of item for consideration for review and action on emergency basis: Renewal of Nichols Consulting Engineers Contract

The agenda for the Pt. Molate Community Advisory Committee meeting for May 20, 2013 was posted mid-day on Friday May 17, 2013.

At end of day on Friday (~5:45PM) the agenda for the Richmond City Council meeting for May 21, 2013 meeting was posted. The May 21, 2013 Richmond City Council agenda includes an item: G-7 to renew a contract with Nichols Consulting Engineers to (continue to) provide remediation oversight services for remediation of former NFD Pt. Molate. The original contract had expired (although work continued) and therefore a new contract (with similar terms) is being proposed on a sole source basis.

The proposed contract was not provided to the PMCAC before being placed on the City Council agenda for May 21, 2013. The contract will have a direct financial impact on the Navy provided remediation fund, and duration, and scope of the contract should be reviewed by PMCAC with a recommendation provided to City Council in advance of the start of the May 21, 2013 City Council meeting.

It is therefore recommended that an item be placed on an emergency basis due to timeliness, under Agenda Review for the May 20, 2013 PMCAC meeting for the PMCAC to consider, per Government Code Section 54954.2(b)(2), hearing an item as 7d for the review of the proposed Nichols Consulting Engineers Contract. The PMCAC would vote during Agenda Review whether or not to hear the item on an emergency basis under its capacity to adopt rule changes, and if adopted would hear the item as item 7d.

7.D.1

AGENDA ITEM REQUEST FORM

Department: City Manager's Office Department Head: Bill Lindsay Phone: 620-6512

Meeting Date: 5/21/2013 Final Decision Date Deadline: _____

STATEMENT OF THE ISSUE: The City Manager's Office is requesting Council approval to continue contracting with Nichols Consulting Engineers to assist the City in protecting its interests in the remediation of Pt. Molate, and to provide third party technical and budgetary oversight for the tasks outlined in the Remediation Agreement (2008) with Upstream Pt. Molate, LLC, the Early Transfer Cooperative Agreement (2008) with the United States Navy, and any other imposed site remediation obligations.

INDICATE APPROPRIATE BODY

- City Council
- Redevelopment Agency
- Housing Authority
- Surplus Property Authority
- Joint Powers Financing Authority
- Finance Standing Committee
- Public Safety Public Services Standing Committee
- Rules and Procedures Standing Committee
- Local Reuse Authority
- Other _____
- Resolution
- Grant Application/Acceptance
- Contract/Agreement
- Ordinance
- Council As Whole
- Claims Filed Against City of Richmond
- Video/PowerPoint Presentation (contact KCRT @ 620.6759)
- Presentation/Proclamation/Commendation (3-Minute Time Limit)
- Public Hearing

ITEM _____

RECOMMENDED ACTION: APPROVE a two-year contract with Nichols Consulting Engineers to provide technical and budgetary oversight for environmental remediation activities at Pt. Molate for an amount not to exceed \$200,000 (paid from the remediation account funded by the United States Navy) and for a contract term commencing December 8, 2012 and ending December 7, 2014 - City Manager's Office (Bill Lindsay 620-6512).

REVIEWS/APPROVALS DO NOT WRITE IN THIS SPACE

This item has been reviewed and approved by the **FINANCE DIRECTOR, CITY ATTORNEY, and CITY MANAGER.**

AGENDA ITEM NO:
G-7.



AGENDA REPORT

City Manager's Office

DATE: May 21, 2013

TO: Mayor McLaughlin and Members of the City Council

FROM: Bill Lindsay, City Manager

SUBJECT: Point Molate Environmental Remediation Oversight Consultant Contract

STATEMENT OF THE ISSUE:

The City Manager's Office is requesting Council approval to continue contracting with Nichols Consulting Engineers to assist the City in protecting its interests in the remediation of Pt. Molate, and to provide third party technical and budgetary oversight for the tasks outlined in the Remediation Agreement (2008) with Upstream Pt. Molate, LLC, the Early Transfer Cooperative Agreement (2008) with the United States Navy, and any other imposed site remediation obligations.

RECOMMENDED ACTION:

APPROVE a two-year contract with Nichols Consulting Engineers to provide technical and budgetary oversight for environmental remediation activities at Pt. Molate for an amount not to exceed \$200,000 (paid from the remediation account funded by the Navy) and for a contract term commencing December 8, 2012 and ending December 7, 2014.

FINANCIAL IMPACT:

The proposed expenditure of \$200,000 will be funded from the United States Navy initial deposit of \$28,500,000, currently being held in an escrow account, pursuant to the Early Transfer Cooperative Agreement (2008) for remediation of Pt. Molate. There is no obligation to the General Fund.

DISCUSSION:

In June 2010, the City issued a Request for Proposals (RFP) for environmental remediation oversight consulting services at Pt. Molate. The RFP was posted on the

7.D.5

City's BidsOnline System and 235 firms received copies of the proposal. Twenty-one (21) consultant proposals were received and reviewed, six (6) firms were selected for the first round of oral interviews, and three (3) firms were then selected for second and final interviews. City staff from the City Manager's Office, Planning Department, and City Attorney's Office, and Public Works evaluated the firms on the following criteria:

1. Qualifications of Firm;
2. Staffing and Project Organization;
3. Work Plan/Approach;
4. Cost; and
5. Presentation.

After interviews were conducted and based on the evaluation criteria above, City staff recommended on September 22, 2010 that the City Council retain Richmond-based firm Nichols Consulting Engineers (Nichols) for this work.

The original contract (Attachment 1) with Nichols commenced on October 1, 2010 and ended on September 30, 2011. Due to oversight, City staff failed to amend the contract by extending the contract end date and the not to exceed contract amount. Although the original contract date was not extended, Nichols has continued to provide oversight services for the City and has received payment through the remediation fund. Based on the outcome of the initial RFP process, Nichols' expertise and experience, and the City's continued satisfaction with Nichols' work product, the City would like to enter into a new sole source contract with Nichols to continue the remediation oversight services. The sole source justification is attached (Attachment 2). A new contract, instead of a contract amendment, is required due to the fact that the original contract date expired in 2011.

Per the new contract (Attachment 3), Nichols, as requested by the City, shall perform the following tasks as requested by City staff:

- Monitor work progress to ensure Upstream's deadlines are met, including review and analysis of the work schedule and budget.
- Review proposed technical documents before they are submitted to the Regional Board.
- Communicate with representatives of Upstream, Terraphase, other consultants, City staff and Regional Board staff as necessary to ensure that the City's obligations are being satisfied and the City's interests are being protected.
- Attend all City meetings with the Water Board and other meetings requested by the City's Project Manager.
- Make recommendations regarding remediation progress.
- Review invoices submitted to the City for remediation activities and recommend whether the City's Project Manager should approve a disbursement from the Navy grant monies.
- Provide a monthly status report to the City's Project Manager, including the status of the work schedule, project activities and next steps.

- Assist in any reporting required by City pursuant to the ETCA.
- Attend Pt. Molate Citizens Advisory Committee meetings.

It is anticipated that Nichols will spend approximately 20 to 40 hours per month for these services, but Nichols will inform the City and seek authorization for additional time, if needed. For each billing period, Nichols will send the City's Project Manager a monthly status report and an invoice including, but not limited to, the following information: employee name, amount of time worked on each approved activity, the cost per hour per employee, and the subtotal per employee per activity.

Funding to cover these services will be paid directly from the escrow account established through the initial \$28.5M to fund remediation-related activities established by the Navy pursuant to the Early Transfer Cooperative Agreement. The City's Project Manager will review and approve invoices prior to submission to the escrow account holder for payment. Although invoices will be paid directly from the escrow account, for purposes of this Contract, the City is authorizing a not to exceed amount of \$200,000 to cover the 20-40 hours per month of anticipated activity for the two year term of the Contract.

DOCUMENTS ATTACHED:

- Attachment 1 – Nichols Original Contract
- Attachment 2 – Sole Source
- Attachment 3 – New Nichols Contract

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CITY OF RICHMOND
STANDARD CONTRACT

Department: RCRA	Project Manager: Steve Duran
Project Manager E-mail: steve_duran@ci.richmond.ca.us	Project Manager Phone No: (510) 231-3066
PR No: Vendor No: 5780	P.O./Contract No:
Description of Services: Provide environmental remediation oversight consulting services at Point Molate.	

The parties to this STANDARD CONTRACT do mutually agree and promise as follows:

1. Parties. The parties to this Contract are the City of Richmond (herein referred to as the "City") and the following named Contractor:

Company Name: Nichols Consulting Engineers
 Street Address: 501 Canal Blvd., Ste. 1
 City, State, Zip Code: Pt. Richmond, CA 94804
 Contact Person: Michael J. Leacox, CEG
 Telephone: (510) 215-2898 Email: mleacox@nce.reno.nv.us
 Business License No: 40009259 / Expiration Date: December 31, 2010

A California corporation, limited liability corporation general partnership, limited partnership, individual, non-profit corporation, other [specify]:

2. Term. The effective date of this Contract is October 1, 2010 and it terminates September 30, 2011 unless terminated as provided herein.

3. Payment Limit. City's total payments to Contractor under this Contract shall not exceed \$ 60,000.00. City shall not pay for services that exceed the Contract Payment Limit unless a contract amendment has been approved by the City Council or City Manager.

4. Contractor's Obligations. Contractor shall provide those services and carry out that work described in the Service Plan (Exhibit A) which is attached hereto and is incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.

5. City's Obligations. City shall make to the Contractor those payments described in the Payment Provisions (Exhibit B) which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.

6. Authorized Representatives and Notices. This Contract is subject to the Authorized Representatives and Notices Provisions (Exhibit C) which are attached hereto and are incorporated herein by reference.

7. General Conditions. This Contract is subject to the General Conditions (Exhibit D) which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.

8. Special Conditions. This Contract is subject to the Special Conditions (Exhibit E) (if any) which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein. (Note: other than Public Works contracts, the City will agree to Special Conditions only in unusual circumstances.)

9. Insurance Provisions. This Contract is subject to the Insurance Provisions (Exhibit F) which are attached hereto and are incorporated herein by reference.

10. Signatures. These signatures attest the parties' Contract hereto:

CITY OF RICHMOND
a municipal corporation

By: [Signature]
Title: City Clerk

I hereby certify that this Contract has been approved by City Council.

By: [Signature]
Title: City Clerk

Approved as to form:

By: [Signature]
Title: City Attorney

CONTRACTOR:

Nichols Consulting Engineers
(* The Corporation Chairman of the Board
President or Vice President (only sign-off))

By: [Signature]
Title: PRESIDENT
Date Signed: 11/29/10

(* The Corporation Chief Financial Officer,
Secretary or Assistant Secretary should sign below)

By: [Signature]
Title: Secretary
Date Signed: 11/29/10

(NOTE: Pursuant to California Corporations Code Section 313, if Contractor is a corporation or nonprofit organization, this Contract (1) must be signed by (a) the Chairperson of the Board, President or Vice-President and (b) the Secretary or Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer.

LIST OF ATTACHMENTS:

- Service Plan
- Payment Provisions
- Authorized Representatives and Notices
- General Conditions
- Special Conditions
- Insurance Provisions
- Standard Contract/ITE 9-26-07
- Exhibit A
- Exhibit B
- Exhibit C
- Exhibit D
- Exhibit E
- Exhibit F

For the Contract between the City of Richmond and
Nichols Consulting Engineers
Contract No.:

EXHIBIT A SERVICE PLAN

Contractor shall, to the satisfaction of the City's Point Molate Project Manager, perform the following services:

In 2003, the Navy transferred approximately three hundred and seventy one (371) acres of the former Point Molate Naval Fuel Depot (NFD) to the City of Richmond following the execution of a Finding of Suitability for Transfer. On July 29, 2008, the Navy and the City entered into an Early Transfer Cooperative Agreement (the "ETCA," attached hereto as Attachment A). The remainder of the Point Molate NFD, consisting of approximately forty-one (41) acres was transferred from the Navy to the City in March of 2010 pursuant to a Finding of Suitability for Early Transfer and at that time the Navy provided \$28,500,000 to the City to perform the remaining site remediation activities. This real property ("Site") is the subject of the work described in this Scope of Services.

Contractor will assist the City's Point Molate Project Manager ("City's Project Manager") in protecting the City's interests in the remediation of the Site, which is subject to a Remediation Agreement ("RA") between the City and a development entity known as Upstream Pointe Molate LLC ("Upstream") concerning the Site (the "RA", attached hereto as Attachment B). The RA requires that Upstream will assume the City's remediation obligations under the ETCA. Specifically, the RA provides that: Upstream approved on September 2, 2008 (the "RA" attached hereto as Attachment B), Upstream will assume the City's remediation obligations under the ETCA. Specifically, the RA provides that:

- Upstream will assume the City's responsibility for the environmental services required under the ETCA, including achieving regulatory closure in compliance with existing as well as any future cleanup orders, including obtaining necessary land use covenants.
- Upstream will meet any obligations required by the environmental insurance policies in place.
- Upstream must provide quarterly reports to the City, insurance carrier and Navy regarding progress toward completing the required environmental services.
- Upstream must pay any additional site remediation costs beyond the \$28,500,000 provided by the Navy.
- Upstream must lead and manage all site remediation efforts.

On November 12, 2008, in light of the ETCA, the San Francisco Bay Regional Water Quality Control Board (the "Regional Board") issued Site Cleanup Requirements Order No. R2-2008-0095 ("Cleanup Order," attached hereto as Attachment C), which prescribed updated cleanup requirements and deadlines for the entire 413-acre Point Molate site. The Cleanup Order named both the City and the Navy as dischargers due to their current and previous ownership of the site respectively; it was anticipated that Upstream would be named on the Cleanup Order in the future if the site is transferred to it. The Cleanup Order was, at the time of its adoption, intended to rescind and replace three prior cleanup orders issued against the Navy: Regional

For the Contract between the City of Richmond and
Nichols Consulting Engineers
Contract No.:

Board Order Nos. 95-235, 97-124, and 97-125. However, on September 15, 2009, the State Water Control Resources Board vacated the Cleanup Order and remanded it to the Regional Board after granting a petition for review (File A-1972) that contended the Regional Board failed to comply with the California Environmental Quality Act ("CEQA") in conjunction with its adoption. The City, therefore, expects the Regional Board to revise and reissue the Cleanup Order after the City of Richmond certifies the Environmental Impact Report/Environmental Impact Statement for the proposed Pt. Molate project.

In order to assist the City's Project Manager, Contractor in protecting the City's interests in the remediation of the Site and overseeing Upstream's successful discharge of the tasks outlined herein and any other imposed site remediation obligations, Contractor shall:

- Monitor work progress to ensure Upstream's deadlines are met.
- Review proposed technical documents before they are submitted to the Regional Board.
- Communicate with representatives of Upstream, Arcadis, other consultants, City staff and Regional Board staff as necessary to ensure that the City's obligations are being satisfied and the City's interests are being protected.
- Attend all City meetings with the Water Board and other meetings requested by the City's Project Manager.
- Make recommendations regarding remediation progress.
- Review invoices submitted to the City for remediation activities and recommend whether the City's Project Manager should approve a disbursement from the Navy grant monies.
- Provide a monthly status report to the City's Project Manager, including the status of the work schedule, project activities and next steps.

~~This work likely will require 15 to 25 hours per month.~~

The above proposed scope of work is intended to describe in general terms the types of services which NCE is providing to the City of Richmond. It is also understood that the City of Richmond has budgeted approximately 15-25 hours per month for these services. In the event that our services are required beyond the anticipated levels of effort (15-25 hours/month), NCE would appraise the City and seek authorization for additional funds

CITY OF RICHMOND
STANDARD CONTRACT

Department: Engineering	Project Manager: Craig Murray
Project Manager E-mail: Craig_Murray@ci.richmond.ca.us	Project Manager Phone No: (510) 307-8188
PR No: Vendor No:	P.O./Contract No:
Description of Services: Contract with Nichols Consulting Engineers to provide technical and budgetary environmental remediation oversight consulting services at Pt. Molate.	

The parties to this STANDARD CONTRACT do mutually agree and promise as follows:

- Parties. The parties to this Contract are the City of Richmond (herein referred to as the "City") and the following named Contractor:
Company Name: Nichols Consulting Engineers

Street Address: 501 Canal Blvd. Ste. 1
 City, State, Zip Code: Pt. Richmond, CA 94804
 Contact Person: Michael J. Leacox, CEG
 Telephone: (510) 215-2989 Email: mleacox@ncenet.com
 Business License No: 40009259 / Expiration Date: December 31, 2013

A California corporation, limited liability corporation general partnership, limited partnership, individual, non-profit corporation, individual dba as [specify:]; other [specify:];

- Term. The effective date of this Contract is December 8, 2012 and it terminates December 7, 2014 unless terminated as provided herein.
- Payment Limit. City's total payments to Contractor under this Contract shall not exceed \$ 200,000.00. City shall not pay for services that exceed the Contract Payment Limit unless a contract amendment has been approved by the City Council or City Manager.
- Contractor's Obligations. Contractor shall provide those services and carry out that work described in the Service Plan (Exhibit A) which is attached hereto and is incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.
- City's Obligations. City shall make to the Contractor those payments described in the Payment Provisions (Exhibit B) which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.

- Authorized Representatives and Notices. This Contract is subject to the Attachment 3 Authorized Representatives and Notices Provisions (Exhibit C) which are attached hereto and are incorporated herein by reference.

- General Conditions. This Contract is subject to the General Conditions (Exhibit D) which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.

- Special Conditions. This Contract is subject to the Special Conditions (Exhibit E) (if any) which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein. (Note: other than Public Works contracts, the City will agree to Special Conditions only in unusual circumstances.)

- Insurance Provisions. This Contract is subject to the Insurance Provisions (Exhibit F) which are attached hereto and are incorporated herein by reference.

- Signatures. These signatures attest the parties' Contract hereto:
CITY OF RICHMOND
a municipal corporation
By: _____
CONTRACTOR:
Nichols Consulting Engineers
By: _____

(* The Corporation Chairperson of the Board, President or Vice President should sign below)
 By: _____ Title: _____
 Date Signed: _____

I hereby certify that this Contract has been approved by City Council.
 By: _____ Title: _____
 Approved as to form: _____
 By: _____ Title: _____
 Date Signed: _____

(* The Corporation Chief Financial Officer, Secretary or Assistant Secretary should sign below)
 By: _____ Title: _____
 Date Signed: _____

- LIST OF ATTACHMENTS:
- Service Plan
 - Payment Provisions
 - Authorized Representatives and Notices
 - General Conditions
 - Special Conditions
 - Insurance Provisions
 - Standard Contract/EITE 9-26-07
 - Exhibit A
 - Exhibit B
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 - Exhibit F

EXHIBIT A

SERVICE PLAN

Contractor shall, to the satisfaction of the City's Point Molate Project Manager, perform the following services:

Background

In 2003, the Navy transferred approximately three hundred and seventy-one (371) acres of the former Point Molate Naval Fuel Depot (NFD) to the City of Richmond following the execution of a Finding of Suitability for Transfer. On July 29, 2008, the Navy and the City entered into an Early Transfer Cooperative Agreement (the "ETCA," attached hereto as Attachment A). The remainder of the Point Molate NFD, consisting of approximately forty-one (41) acres was transferred from the Navy to the City in March of 2010 pursuant to a Finding of Suitability for Early Transfer and at that time the Navy provided \$28,500,000 to the City to perform the remaining site remediation activities. This real property ("Site") is the subject of the work described in this Scope of Services.

Contractor will assist the City's Point Molate Project Manager ("City's Project Manager") in protecting the City's interests in the remediation of the Site, which is subject to a Remediation Agreement ("RA") between the City and a development entity known as Upstream Pointe Molate LLC ("Upstream") concerning the Site dated September 2, 2008 (the "RA", attached hereto as Attachment B). The RA requires that Upstream will assume the City's remediation obligations under the ETCA. The RA in part provides that:

- Upstream will assume the City's responsibility for the environmental services required under the ETCA, including achieving regulatory closure in compliance with existing as well as any future cleanup orders, including obtaining necessary land use covenants.
- Upstream will meet any obligations required by the environmental insurance policies in place.
- Upstream must provide quarterly reports to the City, insurance carrier and Navy regarding progress toward completing the required environmental services.
- Upstream must pay any additional site remediation costs beyond the \$28,500,000 provided by the Navy.
- Upstream must lead and manage all site remediation efforts.

On November 12, 2008, in light of the ETCA, the San Francisco Bay Regional Water Quality Control Board (the "Regional Board") issued Site Cleanup Requirements Order No. R2-20080095 ("Cleanup Order," attached hereto as Attachment C), which prescribed updated cleanup requirements and deadlines for the entire 413-acre Point Molate site. The Cleanup Order named both the City and the Navy as dischargers due to their current and previous ownership of the site respectively; it was anticipated that Upstream would be named on the Cleanup Order in the future if the site is transferred to it. The Cleanup Order was, at the time of its adoption, intended to rescind and replace three prior cleanup orders issued

against the Navy: Regional Board Order Nos. 95-235, 97-124, and 97-125. However, on September 15, 2009, the State Water Control Resources Board vacated the Cleanup Order and remanded it to the Regional Board after granting a petition for review (File A-1972) that contended the Regional Board failed to comply with the California Environmental Quality Act ("CEQA") in conjunction with its adoption. Subsequently the City of Richmond certified the Environmental Impact Report/Environmental Impact Statement for the proposed Pt. Molate project and the RWQCB issued Cleanup and Abatement Order Number R2-2011-0087.

Services

In order to assist the City's Project Manager in protecting the City's interests in the remediation of the Site and overseeing Upstream's successful discharge of the tasks outlined in the RA and any other imposed site remediation obligations, Contractor shall as requested by the City:

- Monitor work progress to ensure Upstream's deadlines are met, including review and analysis of the work schedule and budget.
- Review proposed technical documents before they are submitted to the Regional Board.
- Communicate with representatives of Upstream, Terraphase, other consultants, City staff and Regional Board staff as necessary to ensure that the City's obligations are being satisfied and the City's interests are being protected.
- Attend all City meetings with the Water Board and other meetings requested by the City's Project Manager.
- Make recommendations regarding remediation progress.
- Review invoices submitted to the City for remediation activities and recommend whether the City's Project Manager should approve a disbursement from the Navy grant monies.
- Provide a monthly status report to the City's Project Manager, including the status of the work schedule, project activities and next steps.
- Assist in any reporting required by City pursuant to the ETCA.
- Attend Pt. Molate Citizens Advisory Citizens Committee meetings.

The above proposed scope of work is intended to describe in general terms the types of services which Contractor is providing to the City. It is anticipated that Contractor will spend approximately 20 to 40 hours per month for these services. In the event that Contractor services are required beyond the anticipated levels of effort (20-40 hours/month), Contractor would appraise the City and seek authorization for additional time.

For each billing period, Contractor will send the City's Project Manager a monthly status report and an invoice including, but not limited to, the following information: employee name, amount of time worked on each approved activity, the cost per hour per employee, and the subtotal per employee per activity.

Attachment 3
For the Contract between
the City of Richmond and Nichols Consulting Engineers
Contract No.:

Funding to cover these services will be paid directly from the escrow account established to fund remediation-related activities. The City's Project Manager will have to review and approve invoices prior to submission to the escrow account holder for payment. Although invoices will be paid directly from the escrow account, for purposes of this Contract, the City is authorizing a not to exceed amount of \$200,000 to cover the 20-40 hours per month of anticipated activity for the two year term of the Contract.

