

**CITY COUNCIL RESOLUTION NO. 73-15**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND AUTHORIZING AN ADDITIONAL TEN PERCENT (10%) CONTINGENCY TO THE REMEDIATION AND ABATEMENT AGREEMENT WITH PACIFIC STATES ENVIRONMENTAL SERVICES, INC. FOR ENVIRONMENTAL REMEDATION AND ABATEMENT SERVICES AT IR SITE 3, PT MOLATE, IN THE AMOUNT OF \$924,110, TO PROVIDE FOR THE IDENTIFICATION AND REMOVAL OF ADDITIONAL CONTAMINATED SOIL AND TO UTILIZE U.S. NAVY FUNDS MADE AVAILABLE FOR THIS PROJECT THROUGH THE 2008 EARLY TRANSFER AND COOPERATIVE AGREEMENT**

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**WHEREAS**, in September 1995, former Naval Fuel Depot (NFD) Pt. Molate was identified and included as part of the Base Realignment and Closure Act IV (BRAC IV) program. Operational closure of the former NFD occurred in September 1998. The United States Navy (Navy) transferred approximately 372 acres to the City of Richmond (City) in September 2003 and the remaining approximately 40 acres, including IR Site 3, transferred to the City in March 2010; and

**WHEREAS**, on September 8, 2008, the City entered into the Early Transfer Cooperative Agreement (ETCA) with the Navy for the environmental remediation of the former NFD Pt. Molate to satisfy the Site Clean-Up Requirements adopted by the San Francisco Regional Water Quality Control Board (RWQCB) pursuant to Order No. R2-2011-0087. The RWQCB Order requires the clean-up, maintenance and/or monitoring in the following areas: IR Site 1: Former Waste Disposal Area; IR Site 3: Treatment Pond Area; IR Site 4: Drum Lot 1 and Drum Lot 2/Building 87; and Large Hillside Underground Tanks; and

**WHEREAS**, on June 4, 2014, the RWQCB approved the final revised Feasibility Study/Remediation Action Plan (FS RAP) for IR Site 3. Alternatives included FS RAP Alternatives 5b, 6 and 7. Alternative 5b included a land-use restriction that only allowed for multi-family re-use of IR Site 3 on a limited portion and left a RWQCB regulated waste management unit at the site. Alternative 6 eliminates the waste management unit and allows for all residential re-uses except single family detached homes. Alternative 7 provided full unrestricted re-use of the site; and

**WHEREAS**, on July 29, 2014, the City Council approved the Remediation and Abatement Agreement with Pacific States Environmental Contractors, Inc. (Pacific States) for environmental remediation at IR Site 3 under Alternative 6 (Abatement Agreement), in the amount of \$9,241,094.50, with a ten percent (10%) contingency in the amount of \$924,109.45, for a total approved payment amount of \$10,165,203.95; and

**WHEREAS**, on May 19, 2015, staff was notified by its environmental consultant, Terraphase Engineering (Terraphase), that due to significant additional volume of contaminated soil being found and treated at IR Site 3, the contingency would likely need to be increased by five percent (5%). Terraphase requested this amount in order not to delay payments to Pacific States should the contingency be necessary to complete remediation at IR Site 3; and

**WHEREAS**, on June 16, 2015, the City Council approved the request for additional five percent (5%) contingency or \$462,055, to increase the total payment amount to not to exceed \$10,627, 259; and

**WHEREAS**, in June and July, 2015, staff was notified by Terraphase, as observed during the week of June 15<sup>th</sup> through June 27<sup>th</sup>, that contaminated materials extend further, both horizontally and vertically, than previously estimated and represent a significant additional volume of soil to be excavated, which will further impact the total budget required for the project; and

**WHEREAS**, a Terraphase Memorandum dated July 6, 2015 updates the Memorandum of June 5, 2015 and shows that Class II contaminated soil excavated and transported offsite represents approximately 115% of the contracted soil removal amount, and that remaining excavation includes a 15 foot strip along the western border of the site in addition to excavation associated with failed confirmation samples and excavated locations that have not yet been

sampled due to excess water accumulated with the bottom of the excavation. As a result of the increased need for excavation, Terraphase requests an additional ten percent (10%) contingency or \$924,110, which would increase the total payment amount not to exceed \$11, 551,369.

**WHEREAS**, funds for remediation are available through the ETCA and the additional contingency is within the engineer's estimate of \$11,925,555 for Alternative 6; and

**WHEREAS**, staff desires to appropriate funds for additional contingency for further remediation of contaminated soil within the IR Site 3 and for the express purpose of having those additional contingency funds available if any further soil contamination is found during the excavation work through the end of the project; and

**WHEREAS**, by the agenda report (Agenda Report) accompanying this resolution the City Council has been provided with additional information upon which the findings and actions set forth in this Resolution are based.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council finds the above recitals are true and correct and have served, together with the Agenda Report, as the basis for the findings and actions set forth in this Resolution.

**BE IT FURTHER RESOLVED** that the City Council hereby approves an additional ten percent (10%) contingency or \$924,110 to the Remediation and Abatement Agreement with Pacific States in order to allow prompt assessment and removal of any additional contaminated soil and to complete the remediation project at IR Site 3.

**BE IT FURTHER RESOLVED** that the City Council hereby authorizes the City Manager to enter into amendments to the Abatement Agreement as needed to effectuate the intent of this Resolution.

**BE IT FURTHER RESOLVED** that the City Council designates the City Clerk as the custodian of the documents and other materials which constitute the record of proceedings upon which the decision herein is based. These documents may be found at the office of the City Clerk at the Richmond City Hall, 450 Civic Center Plaza, Richmond, California 94804.

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I CERTIFY that the foregoing resolution was adopted at a regular meeting of the City Council on July 21, 2015 by the following vote:

AYES: Councilmembers Bates, Beckles, Martinez,  
McLaughlin, Pimplé, Vice Mayor Myrick, and Mayor Butt.

NOES: None.

ABSTENTIONS: None.

ABSENT: None.

PAMELA CHRISTIAN  
CLERK OF THE CITY OF RICHMOND  
(SEAL)

Approved:

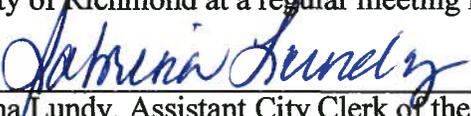
TOM BUTT  
Mayor

Approved as to form:

BRUCE GOODMILLER  
City Attorney

State of California            }  
County of Contra Costa        } : ss.  
City of Richmond               }

I certify that the foregoing is a true copy of **Resolution No. 73-15**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on July 21, 2015.

  
Sabrina Lundy, Assistant City Clerk of the City of Richmond