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Title: CONSIDER APPROVAL OF AMENDMENT NO. 4 WITH ENVIRONMENTAL SCIENCE ASSOCIATES (ESA) (C-16-027) TO INCREASE THE CONTRACT AMOUNT BY \$350,000 AND EXTEND THE AGREEMENT FOR ONE YEAR TO PROVIDE ON-CALL ENVIRONMENTAL CONSULTING SERVICES, TO BE PAID FOR THROUGH DEVELOPER DEPOSITS (CITY COUNCIL)

Sponsors: Community Services

Indexes:

Code sections:

Attachments: 1. Ex. No. 1 - Executed Environmental Science Associates agreement, 2. Ex. No. 2 - Executed Environmental Science Associates Amendment No. 1, 3. Ex. No. 3 - Executed Environmental Science Associates Amendment No. 2, 4. Ex. No. 4 - Executed Environmental Science Associates Amendment No. 3, 5. Ex. No. 5 - Proposed Environmental Science Associates Amendment No.pdf

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, October 20, 2020

Consent

SUBJECT:

CONSIDER APPROVAL OF AMENDMENT NO. 4 WITH ENVIRONMENTAL SCIENCE ASSOCIATES (ESA) (C-16-027) TO INCREASE THE CONTRACT AMOUNT BY \$350,000 AND EXTEND THE AGREEMENT FOR ONE YEAR TO PROVIDE ON-CALL ENVIRONMENTAL CONSULTING SERVICES, TO BE PAID FOR THROUGH DEVELOPER DEPOSITS (CITY COUNCIL)

I. SUMMARY

In October 2016, the City entered into an agreement with Environmental Science Associates (ESA) to conduct on-call environmental consulting services (Exhibit No. 1), primarily in CEQA work and the production of Environmental Impact Reports (EIRs) and other studies. The original agreement was for a total contract amount of \$750,000 for three years, not to exceed \$250,000 per year. Based on the ability of ESA to perform the work requested and the high level of expertise required for this type of work, the agreement has subsequently been amended three times. The first amendment increased the contract amount to \$1,516,210 (Exhibit No. 2); the second amendment removed the \$250,000 per contract year limit to allow payment as intended for on-call services (Exhibit No. 3); the

third amendment extended the agreement for the first of two optional additional years and increased the contract amount to \$1,766,210 (Exhibit No. 4).

Staff is requesting that the City Council approve Amendment No. 4 to the agreement with ESA (Exhibit No. 5) to extend the agreement for the second of the two optional additional years and increase the contract amount by \$350,000. The total amended contract amount is not to exceed \$2,116,210 through the completion of the agreement in October 2021.

This item was continued from the October 6, 2020 meeting to allow the City Council additional time to review the merits of the proposed contract extension. The original contract provided the opportunity to extend the contract for one additional year as requested by this item. To provide the City Council with flexibility in regards to their decision, staff has provided an additional option in the Alternatives Section of the staff report. The main recommendation extends the contract for one year and increases the contract amount by \$350,000. This recommendation allows continued processing of current and new projects without delays. The proposed contract amount of \$350,000 has already been budgeted in the Community Development budget. However, the General Fund will be reimbursed from the developer development application deposits accounts. Therefore, the net impact to the City's General Fund is zero.

The previous extension approved last year included a \$250,000 increase in the contract amount that has proven not be sufficient; therefore, staff is requesting a \$350,000 increase for next year. Typical cost of Mitigated Negative Declarations range from \$50,000 to \$100,000 and Environmental Impact Reports could be between \$100,000 to over \$300,000. Staff continues to have discussions with developers who are looking for development opportunities in Carson and most of their projects will need CEQA review.

The Alternative recommendation directs staff to immediately start the RFP process to select new CEQA consultants and, similar to the main recommendation, would extend the contract for an additional year and increase the contract amount by \$350,000. Since the RFP process takes approximately 5-6 months, the alternative recommendation authorizes the City Manager to approve continuation of current projects and approve new projects for ESA within the contract limits until the RFP process is complete and new projects can be assigned to the new CEQA consultants. This option allows uninterrupted processing of current and new projects until new CEQA consultants are selected.

Staff strongly recommends that the City exercise its option to extend ESA's contract to ensure continued processing of current and future development applications without delays until new CEQA consultants are selected. ESA is one of four consultants that perform the environmental analysis required pursuant to CEQA. This environmental analysis is required prior to City taking action on major projects. The following are the major projects ESA is currently working on:

- 225 W. Torrance Blvd. (Rand) - A proposed 356-unit residential development with a General Plan Amendment and Specific Plan; and
- CRA Cells 3, 4 & 5 (Faring Capital LLC/Bridge Dev.) The District SEIR or Addendum. This is a proposed 13-acre park with associated food, café, and beverage facilities with the remainder areas to be developed as an industrial park including but not limited to distribution warehouses, fulfillment centers, logistics, light

industrial including manufacturing and assembly including ancillary office areas.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Amendment No. 4 to the agreement with Environmental Science Associates (ESA) for on-call environmental consulting services through October 17, 2021, and increasing the contract amount by \$350,000 to a total amended not-to-exceed contract amount of \$2,116,210; AND
2. AUTHORIZE the Mayor to execute the amendment, following approval as to form by the City Attorney.

III. ALTERNATIVES

TAKE the following actions:

1. DIRECT staff to prepare and release an RFP immediately for selection of new CEQA consultants; AND
2. APPROVE Amendment No. 4 to the agreement with Environmental Science Associates (ESA) for on-call environmental consulting services through October 17, 2021, and increasing the contract amount by \$350,000 to a total amended not-to-exceed contract amount of \$2,116,210 only for currently listed projects the contractor is performing; AND
3. AUTHORIZE the City Manager to approve additional work for ESA within contract limits for new projects until the RFP process is complete; AND
4. AUTHORIZE the Mayor to execute the amendment, following approval as to form by the City Attorney. OR
5. TAKE any other action the City Council deems appropriate.

IV. BACKGROUND

The City uses consultants on an as-needed basis to prepare environmental documents for development projects proposed by private developers and projects proposed by the City. Typical documents prepared by consultants include Environmental Impact Reports, Addenda and Mitigated Negative Declarations prepared to comply with CEQA, and Environmental Assessments and Environmental Impact Statements prepared to comply with the National Environmental Policy Act (NEPA).

One of these consultants, Environmental Science Associates (ESA), was retained by the City in 2016. ESA's scope of services also includes preparation or review of studies in accordance with CEQA guidelines, environmental analysis, and initial studies, as well as evaluations and recommendations for appropriate action by the City. Consultant will represent the Planning Division's project team at meetings/hearings and make presentations as necessary.

The original agreement with ESA, approved by the City Council at the October 18, 2016 City Council meeting was for a total contract amount of \$750,000 over three years, with a not-to-exceed amount of \$250,000 per year and an option to extend the agreement for two additional one-year terms. Based on the ability of ESA to perform the requested work, and the high level of development that requires this type of work, the agreement has subsequently been amended three times. The first amendment, approved by the City Council at the May 1, 2018 Council meeting, increased the contract amount by \$766,210 to a total of \$1,516,210 but limited expenditures to \$816,210 in the first contract year and \$350,000 in each of the following two years. This proved challenging, as the nature of on-call services is such that the volume of work fluctuates and is somewhat unpredictable over the course of contract years. This was addressed with the second amendment, approved by the City Council at the May 7, 2019 City Council meeting, removing the not-to-exceed for each contract year language from the agreement to allow for expenditure of approved funds when costs are incurred. The third amendment, approved by the City Council at the October 1, 2019 City Council meeting, extended the agreement for the first of two optional additional years and increased the contract amount by \$250,000 for a total of \$1,766,210.

Staff has determined that an annual amount of \$250,000 is not sufficient to support the volume of development projects proposed by private developers and projects proposed by the City. As the end of the contract year approaches, the current limitation on the spending amount dictated by the contract means that some projects may be delayed or some projects may have to be assigned to consultants less familiar with issues of the area, even when developers are willing to fund projects. The increase in the contract amount from \$250,000 to \$350,000 will allow projects to move forward without delay.

Staff is now requesting that the City Council approve Amendment No. 4 to the agreement with ESA, which would extend the agreement for the second of the two optional additional years, through October 17, 2021 and increase the not-to-exceed contract amount by \$350,000 to a total of \$2,116,210.

V. FISCAL IMPACT

There is no impact to the general fund, as funds for these services are paid for through developer deposits from account number 101-99-999-999-2401.

VI. EXHIBITS

1. Executed agreement with Environmental Science Associates. (pgs. 5-46)
2. Executed Amendment No. 1 with ESA. (pgs. 47-49)
3. Executed Amendment No. 2 with ESA. (pgs. 50-54)

4. Executed Amendment No. 3 with ESA. (pgs. 55-60)
5. Proposed Amendment No. 4 with ESA. (pgs. 61-66)

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