



# CITY OF CARSON

## Legislation Text

File #: 2020-721, Version: 1

### Report to Mayor and City Council

Tuesday, October 20, 2020

Consent

#### SUBJECT:

**CONSIDER APPROVAL OF AMENDMENT NO. 2 WITH MRS ENVIRONMENTAL, INC., (MRS) (C-16-011) 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 MRS Environmental, Inc. (MRS) to conduct on-call environmental consulting services (Exhibit No. 1). 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 MRS to perform the work requested and the high level of development that requires this type of work, the agreement was subsequently amended to extend the agreement for the first of two optional additional years and increased the contract amount by \$250,000 for a total of \$1,000,000 (Exhibit No. 2).

Staff is requesting that the City Council approve Amendment No. 2 to the agreement with MRS (Exhibit No. 3) to extend the agreement for the second of the two optional additional years, increase the contract amount by \$350,000 and eliminate the “per year” language. The total amended contract amount is \$1,350,000 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 its 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 the Mitigated Negative Declarations could be range from \$50,000 to \$100,000 and Environmental Impact Reports could be between \$100,000 and over \$300,000. Staff continues to have discussions with developers who are looking for development opportunities in Carson and their 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, extends the contract for an additional year and increases 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 MRS 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 MRS's contract to ensure continued processing of current and future development applications without delays until new CEQA consultants are selected. MRS 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 is the major project MRS is currently working on:

- 23300 S. Alameda St. (Air Products) - To install new 0.5-mile pipeline segment and connect to existing hydrogen pipeline network.

## **II. RECOMMENDATION**

TAKE the following actions:

1. APPROVE Amendment No. 2 to the agreement with MRS Environmental, Inc. (MRS) 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 \$1,350,000.
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. 2 to the agreement with MRS 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 \$1,350,000 only for currently listed projects the contractor is performing; AND
3. AUTHORIZE the City Manager to approve additional work for MRS 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 the California Environmental Quality Act, and Environmental Assessments and Environmental Impact Statements prepared to comply with the National Environmental Policy Act.

One of the consultants utilized by the City, MRS Environmental, Inc. (MRS), was retained by the City in 2016. The original agreement with MRS, 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 MRS to perform the work requested of them and the high level of development that requires this type of work, the agreement was subsequently amended and approved by the City Council at the October 1, 2019 City Council meeting. This first amendment increased the contract amount by \$250,000 to a total of \$1,000,000 and extended the agreement for the first of two optional additional years.

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. 2 to the agreement with MRS, which would extend the agreement for the second of the two optional additional

years, through October 17, 2021, increase the contract amount by \$350,000 to a total of \$1,350,000 and eliminate the “per year” language in the agreement.

## **V. FISCAL IMPACT**

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

## **VI. EXHIBITS**

1. Executed agreement with MRS Environmental, Inc. (pgs. 5-47)
2. Executed Amendment No. 1 with MRS Environmental, Inc. (pgs. 48-51)
3. Proposed Amendment No. 2 with MRS Environmental, Inc. (pgs. 52-60)

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