

DATE ISSUED: November 24, 2004

REPORT NO. CCDC-04-43

ATTENTION: Chair and Members of the Redevelopment Agency
Docket of November 30, 2004

SUBJECT: Fourth Amendment to Agreement with Gradient Engineers, Inc. for Environmental Consulting Services at the "Smart Corner" -- Core Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project

REFERENCE: None.

STAFF CONTACT: John L. Anderson, Resident Engineer
David N. Allsbrook, Manager-Contracting and Public Works

SUMMARY

Issue - Should the Redevelopment Agency of the City of San Diego approve the Fourth Amendment with Gradient Engineers, Inc. ("Gradient") for environmental services at Smart Corner, in the amount of \$183,372? The maximum compensation will not exceed \$307,487.

Staff Recommendation - That the Redevelopment Agency of the City of San Diego approve the Fourth Amendment to Agreement with Gradient Engineers, Inc. ("Gradient") for environmental services at Smart Corner, in the amount of \$183,372. The maximum compensation will not exceed \$307,487.

Centre City Redevelopment Corporation Recommendation - On November 22, 2004, this item will be considered by the Corporation Board of Directors. An oral update can be provided to the Redevelopment Agency at its meeting of November 30, 2004.

Other Recommendations - None.

Fiscal Impact - Funds are available in the Fiscal Year 2004-05 Centre City Redevelopment Project Budget for the Smart Corner Development.

BACKGROUND

In October 2000, the Corporation issued a Request for Qualifications/Proposals (ARFQ/P@) for the development of the ASmart Corner@ located at the block bounded by 11th and 12th Avenues, Broadway and AC@ Street (the ASite@). The Redevelopment Agency ("Agency") has entered into a Disposition and Development Agreement ("DDA") with CJUF-Smart Corner LLC, ("Developer") to construct the Smart Corner project on the site. The Agency is responsible for the cost of remediation of the site.

In the Spring and Summer of 1998, as part of the acquisition process, the Corporation conducted an environmental review of the properties comprising the site. Gradient was the Corporation's environmental review consultant for this work. Gradient prepared a Phase I and II Environmental Site Assessment Report for the Smart Corner block.

In October 2002, the Corporation entered into an agreement with Gradient, to perform environmental testing services on the Smart Corner site, consisting of a soil gas survey and subsurface soil investigation at the former Quik Korner location to assess the vertical and horizontal extent of petroleum hydrocarbon contamination, and building demolition monitoring services. Gradient was chosen for this work as they were most familiar with the site, having prepared the Phase I and II Environmental Site Assessment Reports.

The Agreement has been amended three times to conduct additional testing of the site for burn ash, environmental services relating to petroleum impacted soil at the former Quik Korner location, and additional monitoring services during the demolition of the existing buildings on the site relating to asbestos. A monitoring well was previously installed to determine if liquid phase hydrocarbons (LPH) were present on the surface of the groundwater table. LPH was not present in the monitoring well. In March 2003, the monitoring well was removed in accordance with the County of San Diego Department of Environmental Health (DEH) requirements.

The Fourth Amendment consists of two components:

4A - Burn ash was discovered at the site during a geotechnical investigation. A preliminary investigation identified the majority of the lateral extent of three layers of burn ash. The existing buildings reduced the ability to investigate under the buildings and to assess the full extent of the layers of burn ash. In July 2004, the DEH required an assessment of the potential of lead impacted fill at the site, since DEH has identified several sites in downtown San Diego with lead impacted fill soil. The soil under the buildings can now be tested for lead. The fill soil at the site will be excavated to native soil, stockpiled, and samples will be collected from the stockpiles of fill to determine the appropriate disposal alternative if lead is present in the fill soil. Confirmation samples will be collected and tested to document the removal of lead impacted fill. A site closure report will be prepared.

4B - Petroleum impacted soil is located at the Quik Korner site, at the northwest corner of the project. This amendment will pay for the DEH Property Mitigation Plan approved testing and monitoring during the removal of the petroleum impacted soil from the site, and the preparation of a site closure report. The Corporation will pursue cost reimbursement of the petroleum contaminated soil under the Polanco Act.

The following is a summary of the financial status of the Agreement with Gradient.

Original Agreement	(October 2002)	\$ 38,000
First Amendment	(March 2003)	\$ 28,865
Second Amendment	(March 2004)	\$ 32,250
Third Amendment	(July 2004)	\$ 25,000
Paid to Date		(\$116,017)
Proposed Amendment 4A		\$118,572
	4B	\$ 64,800
Amount Available Subsequent to this Amendment		<u>\$191,470</u>

CONSULTANT FIRM

The consultant firm is comprised of the following principals and primary contacts:

Firm Name: Gradient Engineers, Inc.		
PRINCIPALS AND PRIMARY STAFF ASSIGNED TO THE CONTRACT	TITLE	PRIMARY CONTACTS
Tom Mills	Vice President	X

EQUAL OPPORTUNITY

The following chart contains all of Gradient's subconsulting firms:

Prime: Gradient Engineers, Inc.		
SUBCONSULTING FIRMS	PRINCIPALS	FIRM CERTIFICATION
JMR Environmental	Derik Martin, Jim Rogers, Karl James	None

Gradient Engineers, Inc. submitted a Work Force Report dated November 1, 2004, which indicates a total of six (6) employees of which two (2) are female, and none are members of under-represented categories.

Contractors and subcontractors who do less than a total of \$10,000 worth of business with the Corporation during the preceding twelve (12) months or who have less than a total of fifteen (15) employees are exempt from submitting an Equal Opportunity Plan.

SUMMARY/CONCLUSION

The Corporation is required pay for the remediation of the site per the Disposition and Development Agreement ("DDA"). This environmental consultant work is a required part of the remediation scope of work.

There is no conflict of interest known to me regarding any Agency or Corporation officer or employee regarding this agreement.

Respectfully Submitted:

Concurred by:

JOHN L. ANDERSON
RESIDENT ENGINEER

PETER J. HALL
PRESIDENT

DAVID ALLSBROOK
MANAGER - CONTRACTING & PUBLIC WORKS