

**Council Meeting: June 29, 2010****SUBJECT: Authorization to Amend an Existing Contract for a Phase II Environmental Evaluation at Morse Park (F0906-110)****BACKGROUND**

Last year Council approved the capital budget to begin the park development process for the conversion of the Fair Oaks Industrial Complex into the Morse Avenue Neighborhood Park (Capital Project 808352). Project scheduling included design in FY2009/10, demolition of the existing facility in FY 2010/11, and construction of the new park site in FY 2011/12. Environmental assessment of the park site as required under California Environmental Quality Act (CEQA) requirements began with a \$5,000 contract issued in May 2009 for a Phase 1 Environmental Site Assessment as conducted by the URS Corporation. The work scope was an overview of the site, including historical use of the land, tenant profiles and nearby commercial activities and their potential environmental impact on the site. The consultant's report dated 6/17/2009 identified three (3) recognized environmental conditions (RECs) associated with the Morse Avenue location:

- 1) The potential for asbestos and/or lead based paint in the existing buildings on the site,
- 2) The potential for pesticide residue on the property due to a history of agricultural land use in the vicinity; and
- 3) Two commercial properties located within 500 feet of the site with underground storage tanks that once, or currently, stored significant amounts of gasoline and/or diesel fuel, with the conditions of those tanks being unknown.

On February 25, 2010, a contract under the signature authority of the City Manager and in an amount of \$57,500 was awarded to Erler & Kalinowski, Inc. (EKI) of Burlingame to perform a Phase II Environmental Evaluation of the Fair Oaks site. The contract was developed in conjunction with the pre-qualification process established for the **Sunnyvale Works!** program. EKI was selected from among six prequalified firms who submitted proposals for environmental services related to the project. The work scope include a more detailed analysis of the three RECs identified by URS, using test borings and soil and structure samples, as well as a cultural resources survey for the site.

DISCUSSION

As identified in the Information Only Report to Council presented May 25, 2010 (RTC #10-132), EKI's findings confirmed some hazardous materials in the five buildings on site (no surprise considering the pre 1978 construction dates of the structures). More troubling was the discovery of elevated lead and arsenic levels in the shallow soil at the site, probably due to the previous orchard use of the site and possible application of lead-arsenate as a pesticide. As a result staff requests Council approval to amend the existing contract for additional testing and environmental services at the site. The anticipated additional costs of \$83,000 plus contingency will increase the contract value over \$100,000, thus requiring Council approval.

The additional work scope will include the following:

- 1) The performance of additional soil sampling at the site to provide additional characterization of the extent of the chemicals of concern,
- 2) Preparation of an Engineering Cost estimate for remediation of soils on the site given the planned future use as a neighborhood park,
- 3) Waste characterization and off-site disposal of the drill soil cuttings generated as part of the Phase II investigations, as well as cuttings generated by the additional work; and
- 4) Attendance by EKI representatives at meetings with City staff and other interested parties, as requested by the City, and continued overall program management.

FISCAL IMPACT

The additional services in the amount of \$83,000 plus a 20% contingency of \$16,600 will increase the contract value from \$52,500 to \$152,100. Funds are available in Capital Project 808352.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

RECOMMENDATION

It is recommended that Council:

1. Amend an existing contract, in substantially the same form as the attached Amendment to Consultant Services Agreement, with Erler & Kalinowski, Inc (EKI) for additional environmental services in an amount not to exceed \$83,000; and
2. Approve an additional project contingency in the amount of \$16,600.

Reviewed by:

Mary J. Bradley, Director of Finance
Prepared by: Pete Gonda, Purchasing Officer

Reviewed by:

Marvin Rose, Director of Public Works

Approved by:

Gary M. Luebbbers
City Manager

Attachments

A. Amendment to Consultant Services Agreement

DRAFT

**AMENDMENT TO CONSULTANT SERVICES AGREEMENT
BETWEEN THE CITY OF SUNNYVALE AND ERLER & KALINOWSKI, INC. (EKI)
FOR PHASE 2 ENVIRONMENTAL EVALUATION FOR MORSE PARK**

This Amendment to Consultant Services Agreement, dated _____, is by and between the CITY OF SUNNYVALE, a municipal corporation ("CITY") and ERLER & KALIOSKI, INC. (EKI) ("CONSULTANT").

WHEREAS, on February 25, 2010, CITY and CONSULTANT entered into a Consultant Services Agreement whereby CONSULTANT would provide professional services necessary for environmental review, site investigation, analysis, testing, consultation, evaluation, report generation and other environmental services for a project known as Phase 2 Evaluation for Morse Park; and

WHEREAS, the parties now agree that an Amendment to said Agreement is advisable;

NOW, THEREFORE, THE PARTIES ENTER INTO THIS AMENDMENT TO CONSULTANT SERVICES AGREEMENT:

1. Replace Section 1. Services by Consultant with the following:

CONSULTANT shall provide services in accordance with Exhibit "A" entitled "Scope of Work" and Exhibit "A-2" entitled "Additional Site Characterization and Remedial Cost Estimating". All exhibits referenced in this Agreement are attached hereto and incorporated herein by reference. To accomplish that end, CONSULTANT agrees to assign Michelle King, Vice-President to this project, to act in a capacity of Project Manager and personally direct the professional services to be provided by the CONSULTANT.

Except as specified in this Agreement, CONSULTANT shall furnish all technical and professional services including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to satisfactorily complete the services required in this Agreement.

2. Replace Section 2(b) Notice to Proceed/Completion of Services with the following:

(b) When CITY determines that CONSULTANT has satisfactorily completed the services defined in Exhibit "A" and Exhibit "A-2", CITY shall give CONSULTANT written Notice of Final Acceptance, and CONSULTANT shall not incur any further costs hereunder. CONSULTANT may request this determination of completion when, in its opinion, it has satisfactorily completed the Scope of Work (Exhibit "A") and Additional Site Characterization and Remedial Cost Estimating (Exhibit "A-2"), and if so requested, CITY shall make this determination within fourteen (14) days of such request

3. Replace Section 4. Payment of Fees and Expenses with the following:

Payments shall be made to CONSULTANT on a monthly basis as set forth in the attached Exhibit "B" entitled "Compensation Schedule" and the Proposed Budget attached to Exhibit "A-2". All compensation will be based on monthly billings as provided in Exhibit "B". Compensation will not be due until said detailed billing is submitted to CITY within a reasonable time before payment is expected to allow for normal CITY processing. An estimate of the percent of total completion associated with the various categories of the services shall be furnished by CONSULTANT with said billing. When applicable, copies of pertinent financial records will be included with the submission of billing(s) for all direct reimbursables. Compensation shall not exceed the amounts set forth in Exhibit "B" for each phase. In no event shall the total amount of compensation payable under this agreement exceed the sum of One Hundred Thirty Five Thousand Five Hundred and No/100 Dollars (\$135,500.00) unless upon written modification of this Agreement. All invoices, including detailed backup, shall be sent to City of Sunnyvale, attention Accounts Payable, P.O. Box 3707, Sunnyvale, CA 94088-3707.

4. Replace Section 8. Standard of Workmanship second paragraph with the following:

Subject to the above standard of care, the plans, designs, specifications, estimates, calculations, reports and other documents furnished under the Scope of work (Exhibit "A") and Additional Site Characterization and Remedial Cost Estimating (Exhibit "A-2") shall be of a quality acceptable to CITY. The criteria for acceptance of the work provided under this Agreement shall be a product of neat appearance, well-organized, technically and grammatically correct, checked, and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by CITY for similar projects.

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the parties have executed this Agreement Amendment.

ATTEST:

CITY OF SUNNYVALE ("CITY")

By _____
City Clerk

By _____
City Manager

APPROVED AS TO FORM:

ERLER & KALINOWSKI, INC. (EKI)
("CONSULTANT")

By _____
City Attorney

By _____

Name and Title

Additional Site Characterization and Remedial Cost Estimating



3 June 2010

Consulting Engineers and Scientists

1870 Ogden Drive
Burlingame, CA 94010
(650) 292-9100
Fax (650) 552-9012

Mr. Manoochehr Kadkhodayan
Project Manager
City of Sunnyvale
650 West Olive Avenue
Sunnyvale, California 94086

Subject: Proposal for Additional Site Characterization and Remedial Cost Estimating;
Fair Oaks Industrial Complex, 1010 to 1024 Morse Avenue,
Sunnyvale, California
(EKI B00015.00)

Dear Mr. Kadkhodayan:

Erler & Kalinowski, Inc. ("EKI") is pleased to present to the City of Sunnyvale ("Client" or "City") this proposal ("Proposal") to provide continued environmental consulting services related to the Fair Oaks Industrial Complex located at 1010 to 1024 Morse Avenue in Sunnyvale, California (the "Site"). At your request, this Proposal provides for the additional characterization of potential chemicals of concern in soil in the Site, as well as remedial cost estimating related to potential redevelopment of the Site into a neighborhood park.

BACKGROUND

In accordance with our Agreement dated 25 February 2010, EKI completed the following tasks on behalf of the City:

- Performed a Phase II subsurface investigation at the Site, and presented the results in a Draft report dated 7 April 2010, which was provided to the City;
- Retained the services of The Cohen Group to perform an asbestos, lead, and hazardous materials building survey of the Site (findings report pending; see below); and
- Retained the services of Garcia & Associates to perform a cultural resources survey of the Site (findings report forthcoming).

The Phase II investigation by EKI identified the presence of lead and arsenic in shallow soil on the Site at concentrations above potentially relevant environmental regulatory screening criteria for unrestricted land use, and above typical background concentrations for South Bay Area soils. The presence of elevated lead and arsenic in soil on the Site appears to be due to the previous orchard use of the Site, e.g., possible application of lead-arsenate as a pesticide.

At your request and upon your verbal and email authorizations, for an additional budget of \$5,000, EKI performed the following tasks, which were not included in the original Agreement with the City:

- Attended one meeting with the City on 6 April 2010, to discuss the findings of the Phase II subsurface investigation report and possible next steps, and conducted ongoing telephone discussions and email communications with City staff regarding possible next steps;
- Provided to the City a rough, order of magnitude cost estimate for remediation of soils on the Site, given the proposed future land use, as well as a rough cost estimate for abatement of asbestos-containing materials in Site buildings prior to demolition of structures; and
- Authorized The Cohen Group to submit additional building materials samples for point-counting analysis, and to complete its written report of findings and conclusions.

As presented below in Tasks 1 through 4, this Proposal provides for the following services:

- Task 1: Performance of additional soil sampling at the Site to provide additional characterization of the extent of chemicals of concern, e.g., lead, arsenic, pesticides in soil on the Site. The primary purpose for the additional soil sampling is to provide additional data for use in the preparation of an Engineering Cost Estimate for remediation of soils on the Site given the proposed future land use as a neighborhood park (see Task 2);
- Task 2: Preparation of an Engineering Cost Estimate for remediation of soils on the Site given the planned future use as a neighborhood park;
- Task 3: Characterization and off-Site disposal of the drill soil cuttings generated as part of EKI's subsurface investigations conducted in March 2010, as well as soil cuttings that will be generated as part of the sampling activities proposed herein; and
- Task 4: Attendance by EKI representatives at meetings with City staff and other interested parties, as requested by the City, and continued overall program management and ongoing communications with City staff.

PROPOSED OBJECTIVE AND SAMPLING APPROACHES

The initial soil sampling performed at the Site was a reconnaissance level survey that identified the presence of elevated lead and arsenic in soil. The objective of the proposed additional soil sampling at the Site is to better characterize the lateral and vertical extents of the identified chemicals of concern in soil on the Site in order to decrease the uncertainty in the remediation cost estimates under several potential remedial options. The results of the previous soil sampling by EKI suggest that chemicals of concern appear to be limited primarily to the upper approximate 2.5 feet of soil on the Site. The lateral and vertical extents of such chemicals on the Site, however, are not known (for example, it is not known if these chemicals are present at elevated concentrations below the existing building slabs).

EKI proposes to collect samples across the Site for laboratory analysis from the following:

- (1) discrete depth intervals within the upper approximate 2.5 feet of soil under the existing buildings to assess whether grading and excavation activities for the construction of the buildings resulted in the removal of soil with chemical impacts;
- (2) discrete depth intervals within the upper approximate 2.5 feet from sample grids placed across the Site to identify the vertical extent of chemicals of concern above unrestricted land use screening criteria; and
- (3) from the upper 2.5 feet of soil as a whole from sample grids placed across the Site to attempt to simulate soil conditions across the Site following a "soil mixing" or roto-tilling scenario, which could be implemented as part of site preparation for redevelopment or for remediation.

Together, the results of these investigations will be used to develop engineering cost estimates for remediation under soil excavation, capping, and roto-tilling scenarios. Mixing of soil on the Site, e.g., the upper 3 feet, following demolition and removal of paving may be considered an allowable remedial option by the regulatory agencies to reduce overall concentrations of chemicals of concern in shallow soil, such that regulatory cleanup criteria can be met. However, at this time, we have no confirmation from the regulatory agencies that soil mixing or homogenization to reduce concentrations of chemicals would be considered a viable remedial alternative by the agencies. In addition, such an approach will typically require confirmation soil sampling, which includes a risk that the impacts may not be fully mitigated by soil mixing.

PROPOSED SCOPE OF WORK

EKI's Scope of Services for this Proposal is presented below.

Task 1 -- Performance of Additional Shallow Soil Sampling

EKI proposes to collect additional shallow soil samples on the Site as follows:

Below Building Floor Slabs: To screen for the presence of potential chemicals of concern beneath building slabs on the Site, EKI proposes to collect soil samples from beneath each of the five existing Site buildings. Based on discussions with City staff, it is possible that as part of construction of the building foundations, one to two feet of native soil potentially containing agricultural chemicals may have been removed from the footprint of each building in order to provide for the sub-base and concrete floor. Thus, soil beneath the building floor slabs and sub-base material, if any, may not contain elevated concentrations of agricultural-related chemicals and, therefore, may not require remediation as part of Site redevelopment. For purposes of establishing a project budget, 4 boreholes are planned per Site building footprint; thus, a total of

20 building slab boreholes are proposed herein. Soil samples from three discrete depth intervals will be collected per borehole. See further discussion under Task 1c, below.

Site-Wide Soils: EKI will collect additional shallow soil samples across the Site on a rough grid pattern to provide for additional soil data for use in the preparation of Engineering Cost Estimates for soil remediation. For purposes of establishing a budget, EKI will create a total of 30 grid squares across the Site, each grid square measuring approximately 90 feet by 90 feet in dimension. EKI will advance four (4) boreholes in each grid square; thus, a total of 120 boreholes are proposed herein as part of the Site-wide grid sampling. Soil samples from three discrete depth intervals will be collected from each of the four grid square boreholes. See further discussion under Task 1d, below.

Task 1a - Project Coordination and Set-Up

Prior to initiating fieldwork, the following preliminary tasks will be performed by EKI:

- Conduct an initial site visit to mark proposed sampling locations within each building, lay out and mark the proposed sampling grid, coordinate with the City, property manager, and tenants regarding scope and schedule for activities. The proposed budget assumes that one day will be required for two EKI field persons for grid and borehole marking, and that access to tenant spaces will be provided by the property manager or the City on a timely basis.
- Contact Underground Services Alert ("USA") to determine if there are buried utilities in the proposed sampling locations.
- Clear proposed borehole and soil sampling locations using a private utility locating service. The proposed budget assumes that one day will be required for one EKI field person to clear locations for underground utilities.
- Update the existing Site Health and Safety Plan ("HSP") for use by EKI personnel during the fieldwork.
- Obtain and prepare field supplies and equipment, sample labels, and chain-of-custody forms.

Task 1b - Coring of Concrete and Asphalt Surfaces at Planned Soil Sampling Locations

At the majority of the planned soil sampling locations, the soil is covered by concrete and/or asphalt. Coring of the paved surface at these locations will be required in order to access the underlying soil for purposes of soil sampling. EKI will retain the services of a concrete coring subcontractor to perform the coring services. For purposes of establishing a budget for this activity, it is assumed that 60 concrete cores will be required, e.g., coring through concrete floors of buildings, and that 60 asphalt cores will be required, e.g., through asphalt parking surfaces. The actual numbers of cores required may change, as some sampling locations will be placed in unpaved landscaped areas that will not require coring, to the extent practical. The concrete and asphalt cores will be placed in a 55-gallon drum for subsequent off-Site disposal.

Task 1c – Drilling and Soil Sampling through Concrete Floors of Buildings

Following completion of concrete coring as discussed above under Task 1b, EKI proposes to collect soil samples from beneath the five existing buildings on the Site. EKI will advance four (4) hand auger boreholes in each of the five Site buildings to a total depth of approximately 3 feet below the floor surface; thus, a total of 20 boreholes are proposed. EKI will collect soil samples at three distinct depth intervals from each borehole:

- First encountered soil (approximately 6 to 8 inches below surface; just beneath concrete floor subbase) to approximately 12 inches below surface;
- Approximately 18 to 24 inches below surface; and
- Approximately 24 to 30 inches below surface.

Thus, EKI proposes to collect a total of 60 discrete soil samples from beneath the floors of the five Site buildings. The proposed budget assumes that a manual hand auger will be capable of penetrating the sub-base, which might contain gravel, and that a mechanical drilling rig will not be necessary. If following the initial hand augering attempts it is determined that a mechanical drilling rig would be necessary to advance the boreholes to obtain the desired soil samples, EKI will discuss such option, as well as additional cost and timing, with the City prior to proceeding.

For the proposed concrete coring and sampling within each building, to the extent practical, EKI will attempt to perform sampling only within those tenant spaces that are vacant at the time of sampling, in order to minimize disturbance to existing tenants at the Site. EKI understands that any work performed while tenants are present must not disrupt the business of the tenant, and may only be performed within the rights preserved by the City in the lease agreements, and with prior written notification and acknowledgements. The proposed budget assumes that access to tenant spaces can be provided on a timely and prompt basis by the City and/or property manager, such that any delays in getting access to tenant spaces are minimized.

Each of the 20 “shallow” discrete soil samples collected at the approximate 6 to 12-inch depth interval will be composited at the laboratory to form ten (10) two-point composite soil samples for laboratory analysis. Each of the 20 “intermediate” discrete soil samples collected at the 18 to 24-inch depth interval will be composited at the laboratory to form ten (10) composite soil samples for laboratory analysis. Each of the 20 “deeper” discrete soil samples collected at the 24 to 30-inch depth interval will be composited at the laboratory to form ten (10) composite soil samples for laboratory analysis.

The 10 “shallow” two-point composite samples will each be analyzed by K-Prime, Inc. analytical laboratory in Santa Rosa, California (“K-Prime”), for the following:

- Organochlorine pesticides using U.S. EPA Method 8081A
- Arsenic and total lead using U.S. EPA Method 6020; and



- Percent moisture for direct comparison of the soil sample analytical results to potentially applicable regulatory screening levels.

The 10 “intermediate” and 10 “deeper” soil samples will be analyzed for the following:

- Arsenic and total lead using U.S. EPA Method 6020; and
- Percent moisture.

The intermediate and deeper samples will not be analyzed for organochlorine pesticides. If the analytical results for pesticides for the shallow soil samples suggest the need for analysis of deeper samples, e.g., elevated pesticides are present in the shallow soil samples, then EKI will submit selected intermediate and deeper samples for analysis for pesticides. The proposed budget does not include analysis of the deeper soil samples collected beneath the building for pesticides. If such analyses are warranted, EKI will submit a budget augmentation request to the City for pre-approval prior to submitting additional soil samples for analysis.

For purposes of establishing a budget as part of this proposal, the analytical results for the soil samples will be provided by the laboratory on a normal 10-working day turnaround.

During drilling and soil sampling, EKI will utilize a hand-held, real-time organic vapor meter (“OVM”) to screen soil samples from the boreholes for organic vapors. If organic vapors are detected in the soil samples or borehole, or if stained or odorous soil is noted by EKI, EKI will submit the soil samples for analysis for petroleum hydrocarbons and/or volatile organic compounds (“VOCs”). The proposed budget, however, does not include analytical costs for the additional analyses. EKI will obtain pre-approval from the City before submitting samples for additional analysis other than what is proposed herein.

Task 1d – Drilling and Soil Sampling Site-Wide on a Grid Pattern

As discussed under Task 1a, above, EKI will establish a rough sampling grid across the Site. Each sampling grid square, or sampling “unit”, will measure approximately 90 feet by 90 feet in dimension. Thus, given the total area of the Site, approximately 30 sampling units will be created. Within each sampling unit, EKI will advanced a total of four (4) boreholes. Thus, a total of approximately 120 “grid” boreholes will be advanced across the Site. Each borehole will be advanced using a hand auger to a total depth of approximately 2.5 feet below ground surface. The proposed budget assumes that manual hand-auger techniques will be sufficient to reach the desired sampling depths, and that a mechanical drilling rig will not be required.

Similar to that described above under Task 1c, EKI will collect soil samples from three (3) discrete depth intervals from each boring, as shown below:

- First encountered soil (approximately 6 inches below surface; just beneath pavement baserock) to approximately 12 inches below surface;
- Approximately 18 to 24 inches below surface; and
- Approximately 24 to 30 inches below surface.

In each of the 30 sampling units, each of the 4 “shallow” discrete soil samples collected at the approximate 6 to 12-inch depth interval will be composited at the laboratory to form one (1) four-point composite soil samples for laboratory analysis. Each of the 4 “intermediate” discrete soil samples collected at the 18 to 24-inch depth interval will be composited at the laboratory to form one (1) composite soil samples for laboratory analysis. Each of the 4 “deeper” discrete soil samples collected at the 24 to 30-inch depth interval will be composited at the laboratory to form one (1) composite soil samples for laboratory analysis. Thus, in each of the 30 grids, three (3) four-point composite samples will be created, for a total of 90 depth-discrete composite samples.

The 30 “shallow” four- point composite samples will each be analyzed by K-Prime for the following:

- Organochlorine pesticides using U.S. EPA Method 8081A
- Arsenic and total lead using U.S. EPA Method 6020; and
- Percent moisture.

The 10 “intermediate” and 10 “deeper” soil samples will be analyzed for the following:

- Arsenic and total lead using U.S. EPA Method 6010; and
- Percent moisture.

The intermediate and deeper composite soil samples will not be analyzed for organochlorine pesticides. If the analytical results for pesticides for the shallow soil samples suggest the need for analysis of deeper samples, e.g., elevated pesticides are present in the shallow soil samples, then EKI will submit selected intermediate and deeper samples for analysis for pesticides. The proposed budget does not include analysis of the deeper soil samples collected beneath the building for pesticides. If such analyses are warranted, EKI will submit a budget augmentation request to the City for pre-approval prior to submitting additional soil samples for analysis.

Following the completion of compositing of the discrete soil samples and placing those samples in appropriate laboratory containers, the remaining soil from each of the four boreholes from each of the 30 sampling units will be mixed or homogenized to form one composite sample that is intended to simulate soil conditions in the upper 2.5 feet of soil for that particular grid square under a soil “mixing” or roto-tilling scenario either as part of site preparation associated with redevelopment or as part of soil remediation activities. Thus, a total of 30 composite soil samples will be created by EKI from the 120 continuous core samples and submitted to K-Prime for laboratory analysis. Each of the fully composited soil samples will be analyzed for the following:

- Organochlorine pesticides using U.S. EPA Method 8081A;
- Arsenic and total lead using U.S. EPA Method 6020; and
- Percent moisture.

The results for all sampling are assumed to be provided by the laboratory on a normal, 10-working day turnaround.

Excess soil from the boreholes not submitted to the analytical laboratory will be placed in appropriate containers for temporary storage on-Site, until the soil can be characterized for off-Site disposal. Characterization and disposal of the soil is included in this Proposal under Task 3, below.

Task 1e – Grouting of Soil Boreholes

All soil boreholes advanced on the Site will be backfilled with cement grout to the total depth of the boreholes. For purposes of establishing a budget, given the large numbers of boreholes (120 boreholes), it is assumed that 2 days will be required to grout the boreholes.

Task 1f - Preparation of Written Report of Results

Following receipt of the analytical results, EKI will prepare a written report of investigation findings. The report will include a description of the investigative methods used, a description of field observations, and a discussion of the analytical results for the soil samples. Recommendations for additional assessment, if warranted, will be presented in the report. The report will contain data summary tables and sample location figures. The report appendices will include field inspection reports and analytical data reports. A Draft of the report will be provided to the City for review and comment. Following receipt of all comments on the Draft report from the City, EKI will prepare a Final report.

Task 2 – Prepare Engineering Cost Estimates for Soil Remediation

Following completion of Task 1 and receipt of soil sample analytical results, EKI will prepare Engineering Cost Estimates for remediation of soils on the Site to assist the City with project planning and decision-making. EKI will prepare the cost estimates assuming several potential soil remediation scenarios, including soil excavation and off-site disposal, capping, and roto-tilling. The cost estimates will be based on the available analytical data for soil samples collected on the Site, e.g., from the March 2010 investigation and Task 1 activities, above, and intended future sensitive use of the Site as a neighborhood park.

It should be noted that statements made by EKI regarding estimated remediation or construction costs or future operation and maintenance costs, if any, are predicted costs and are based on

professional opinions and judgment as well as limited environmental data. EKI is not responsible for fluctuations in construction costs due to bidding conditions and other factors which could not be anticipated at the time of preparation of the particular estimates. EKI also does not know if all remedial alternatives assessed will be acceptable to regulatory agencies.

The Engineering Cost Estimates will be provided to the City in the form of a written memorandum and supporting spreadsheet cost tables. EKI has assumed that the cost estimates will be discussed with the City as part of a conference call arranged at a mutually agreeable date and time.

Task 3 – Characterization and Coordination of Removal of Investigation-Derived Wastes

During drilling and sampling activities conducted by EKI in March 2010, soil drill cuttings were generated and were placed in a single 55-gallon metal drum which was sealed and labeled, and placed in the northeast corner of the Site as the request of Michael Chan with the City. The drummed contents require characterization and proper disposal. As part of Task 1 soil sampling activities, additional soil cuttings will be generated, and will require off-Site disposal as well.

EKI will coordinate the characterization for off-site disposal of investigation-derived wastes (“IDW”). In order to characterize the soil to determine the appropriate disposal of the waste, samples of the soil need to be collected and submitted for laboratory analysis. EKI will collect appropriate samples from the existing drum, as well as from the soil cuttings generated as part of Task 1. For purposes of establishing a budget, two (2) soil samples will be submitted to K-Prime, Inc. analytical laboratory in Santa Rosa, California, for analysis for the following chemical constituents on a normal 10 working-day turnaround:

- Total petroleum hydrocarbons, including gasoline, diesel, and motor oil range hydrocarbons, using U.S. EPA Method 8015m;
- Benzene, toluene, ethyl benzene, and total xylenes using U.S. EPA Method 8260; and
- LUFT 5 metals (cadmium, chromium, lead, nickel, and zinc) and arsenic using U.S. EPA Method 6020.¹

EKI has assumed that the available pesticide results will be sufficient to characterize the soil for disposal purposes. Following receipt of the analytical results, EKI will coordinate with Clearwater Environmental, Inc., of Union City, California, to complete waste profile forms. Clearwater will provide to EKI and the City the names of appropriately permitted planned disposal facilities for the IDW for approval by the City. EKI will notify the City when

¹ EKI has also included budget to have two soil samples subjected to the Waste Extraction Test (“WET”) with subsequent analysis for a single metal, in the event that the initial analysis indicates that the soil may meet the definition of a non-RCRA hazardous waste due to metals in soil. In such circumstances, the disposal facilities require analysis for soluble metals using the WET.

Clearwater has arranged for pick-up and off-site disposal of the IDW. Clearwater will be required to complete all required waste profile forms and waste manifests for the City's signature prior to shipment of the drum from the Site. EKI will make one visit to the Site either during or shortly following the removal of the drum to confirm that the drum has been removed from the Site. The proposed budget assumes the IDW can be disposed off-Site as non-hazardous waste.

In providing environmental services associated with investigation-derived wastes, the City understands and agrees that EKI is not, and has no responsibility as, a generator, operator, treater, storer, transporter, or disposer of hazardous or toxic substances found or identified at the subject property and the adjacent property, including investigation-derived waste. As specifically requested by the City, EKI will coordinate non-hazardous disposal of the City's investigation-derived wastes. If wastes are characterized or otherwise determined to be California or RCRA hazardous wastes, the budget and scope will be discussed with the City.

Task 4 – Continued Program Management and Ongoing Client Communications

EKI will continue to provide ongoing technical program management and consultation services to the City. This task includes ongoing coordination and communications with City staff, as requested by the City, and ongoing general consultation and technical project management services by EKI team. EKI senior staff will be available for conference telephone calls and/or meetings whenever requested by the City and/or the lead regulatory agency, in accordance with mutually agreeable schedules. Additional services as part of this task may include development of scopes of work for specific additional tasks, when requested by the City. The level of effort by EKI under this task cannot now be estimated; however, EKI will continue to provide these services, when requested, on a time and materials basis, as allowed within the authorized budget. As the authorized budget for this task is approached, EKI will notify the City and request additional budget for this task, if additional services under this task are expected to be requested by the City.

SCHEDULE

EKI can complete Site preparation work (Task 1a) within two weeks of authorization to proceed, assuming timely access to the Site is granted by the City. The pavement coring and field sampling activities (Tasks 1b through 1e) will take approximately 2 weeks to complete. EKI will request normal 10-working day turnaround times from the laboratory for receipt of analytical results for the soil samples. Thus, approximately 6 weeks will be required to complete the soil sampling and receipt of analytical results. This schedule assumes that analysis of intermediate or deeper soil samples will not be needed based on the results of the initial samples submitted for analysis. If analysis of additional samples is needed, the overall schedule will be extended by approximately two to three weeks. The preparation of the Draft report of results can be provided to the City within two weeks of receipt of all soil sample analytical results.



The preparation of the Engineering Cost Estimates (Task 2) can be completed within three weeks of receipt of all soil sample analytical results. Thus, approximately 9 weeks from authorization to proceed will be required to complete the Engineering Cost Estimates, and submittal of the estimates to the City.

The characterization and off-Site disposal of the IDW can be completed within approximately one month following completion of field sampling activities.

COMPENSATION FOR CONSULTING SERVICES

Inasmuch as the exact level of effort to complete the above Scope of Work cannot be identified at this time, we propose that compensation for consulting services by Erler & Kalinowski, Inc., be on a time and expense reimbursement basis in accordance with our current Schedule of Charges, dated 1 January 2008, which is included in our Agreement. On the basis of the proposed Scope of Work described above, we propose a budget of \$83,000, which will not be exceeded without additional authorization. The breakdown of the project budget for this Proposal is as follows:

Proposed Task	Proposed Budget
1. Performance of Additional Soil Sampling	
Task 1a – Project Coordination and Set-up, preparation for sampling	\$ 8,000
Task 1b – Concrete and asphalt coring (assumes two days)	\$ 4,500
Task 1c – Drilling and soil sampling within Site buildings (20 boreholes)	
o EKI labor and expenses (assumes 2 days, two field persons)	\$ 5,500
o Analytical cost for 10 composite “shallow” soil samples for pesticides, lead, and arsenic (assumes normal turnaround)	\$ 1,500
o Analytical cost for 20 composite “intermediate” and “deeper” soil samples for lead and arsenic (assumes normal turnaround)	\$ 1,500
Task 1d – Drilling and soil sampling on Site-wide Grid (120 boreholes)	
o EKI labor and expenses for soil sampling (assumes 5 days, two field persons)	\$ 16,000
o EKI labor for soil sample mixing and laboratory preparation (assumes 5 days, one field person)	\$ 7,000
o Analytical cost for 30 composite “shallow” soil samples for pesticides, lead, and arsenic (assumes normal turnaround)	\$ 5,000
o Analytical cost for 60 composite “intermediate” and “deeper” soil samples for lead and arsenic (assumes normal turnaround)	\$ 3,500
o Analytical cost for 30 fully composited soil samples for pesticides, lead, and arsenic (assumes normal turnaround)	\$ 5,000

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Proposed Task (cont.)	Proposed Budget
Task 1e – Grouting of soil boreholes (assumes 2 days, plus expenses)	\$ 3,000
Task 1f - Prepare written report of results	\$ 12,000
2. Remedial Cost Estimating, Submittal of Memorandum, and Discussion with City	\$ 4,000
3. Characterization and Coordination of IDW Disposal	\$ 1,500
4. Continued Program Management and on-Going Client Communications	\$ 5,000
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Total Proposed Budget	\$ 83,000

AUTHORIZATION

If the above scope of work and selected budget for this Proposal meets with your approval, please have an authorized representative of the City of Sunnyvale issue a purchase order for the work. The purchase order should identify the selected tasks and associated budget the City would like EKI to implement. Once a purchase order is issued, the work specified herein will represent a modification to our existing Agreement, dated 25 February 2010. Except as modified herein, all terms and conditions of the Agreement remain the same. The work on this project will be tracked on new EKI job number B00015.01.

We are pleased to have the opportunity to continue working with you on this project. If you have any questions or need additional information regarding this proposal, please do not hesitate to call.

Very truly yours,

ERLER & KALINOWSKI, INC.

Michelle K. King, Ph.D.
Vice President