

# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www.CityofSacramento.org



CONSENT  
March 24, 2009

Honorable Mayor and  
Members of the City Council

**Title: Contract: North Area Corporation Yard Toxic Remediation (C13001400)**

**Location/Council District:** 918 Del Paso Road, Sacramento County

**Recommendation:** Adopt a **Resolution:** 1) approving the construction plans and specifications and awarding a one-year construction contract with a one-year renewal option to Pacific States Environmental Contractors, Inc. for the excavation, treatment and disposal of diesel contaminated soils at the North Area Corporation Yard in an amount not to exceed \$850,516 for the two year period; and 2) authorizing the City Manager or the City Manager's designee to execute the contract and renewal option specified above.

**Contact:** Karl Kurka, Environmental Program Manager, 808-8430; Cynthia Kranc, Facilities Manager, 808-2258.

**Presenters:** Not applicable

**Department:** General Services

**Division:** Facilities and Real Property Management

**Organization No:** 13001551

### **Description/Analysis**

**Issue:** On June 10, 2003, City Council adopted Resolution No. 2003-362, authorizing the purchase of property at 918 Del Paso Road for \$10.485 million for use as the City's North Area Corporation Yard (NACY). The property was formerly owned by Consolidated Freightways, a trucking company, and had known underground contamination at the fueling station from a diesel leak (approximately 9,000 gallons) that occurred in 1987. With the purchase of the property, the City assumed responsibility for contamination clean up.

The City has done extensive work delineating, monitoring and containing the diesel pollution; however the majority of the soil and groundwater contamination remains. AMEC Geomatrix, Inc. prepared a final remediation plan (FRP) for



NACY in April 2008 on behalf of the City which was approved by the Central Valley Regional Water Quality Control Board (Water Board) on May 16, 2008.

The remediation calls for the excavation of approximately 35,700 cubic yards of soil, off-site disposal of highly contaminated soil and on-site biological treatment of the remaining contaminated soil. Groundwater extraction wells will be installed in the excavation pit in case further remediation is needed. The pit will be backfilled with the treated soil and clean fill. Groundwater will be monitored for diesel contamination until the State declares that it meets clean up standards.

**Policy Considerations:** The proposed action is consistent with the City's strategic goal to implement strategies to improve overall public safety and economic development. The recommendations in this report are consistent with the provisions of Sacramento City Code Chapter 3.60.

**Committee/Commission Action:** None

**Environmental Considerations:** The diesel impacted soil is contaminating groundwater. If the source is not removed the contaminated groundwater will continue to spread posing an environmental and public safety threat. Numerous cleanup technologies were evaluated in the development of the FRP. The approved remediation plan was determined to be the most effective based on available technologies and appropriateness for the site. Implementation of the plan is the most likely strategy for the City to achieve regulatory clean up and "no further action" certification from the State.

**California Environmental Quality Act (CEQA):** The implementation of the approved FRP will be conducted under the regulatory oversight of the Water Board. The project is an action taken by a regulatory agency, as authorized by state statute, to assure the maintenance, restoration, or protection of the environment. During the course of the project, the Water Board will enact regulatory processes that involve procedures for the protection of the environment. For these reasons, the project is exempt from the provisions of the CEQA guidelines per Section 15308.

**Sustainability Considerations:** Removing the source of the pollution will preserve groundwater for future beneficial uses per state law.

**Rationale for Recommendation:** Under state law the City is responsible and liable for "the restoration of the beneficial uses of waters of the state that have been degraded by a pollutant release." The Water Board issued a warning letter to the City on October 28, 2008 that states if the City does not show significant progress in implementing the remediation plan by December 31, 2008, formal enforcement actions may be taken (see Attachment 2). The City has made significant progress in pre-construction activities (permitting, site preparation, etc.) for the project to the satisfaction of the Water Board and, thus, avoided

finest to date.

The timing of the remediation work is critical as excavation and refilling the pit must occur during dry months and the biological treatment of contaminated soil must occur during warm summer months. Additionally, if clean up is delayed:

- The City may be subject to enforcement actions and fines from the Water Board of up to \$5,000 per day per violation;
- The City will lose approximately \$100,000 of State grant funds for the project that will expire May 1, 2009 and an additional \$327,000 in State grant funds that will expire April 1, 2010 if not spent before these deadlines; and
- The City will have to continue spending more than \$130,000 a year on groundwater monitoring and treatment of the site to prevent further migration of the contamination (these costs will continue indefinitely until the site is cleaned up).

On December 2, 2008, City Council adopted Resolution No. 2008-778, approving the funding and implementation plan project. On January 18, 2009, the Department of General Services issued Invitation for Bid No. B0913001551002 for the excavation, disposal and treatment of contaminated soils and installation of treatment wells. Staff's estimate for this construction portion of the remediation was \$1.2 million. Eight bids were received and Pacific States Environmental Contractors, Inc. was determined to be the lowest responsive and responsible bidder.

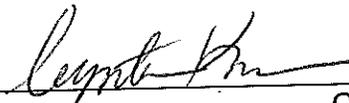
The results of Bid No. B0913001551002 are listed in the table below.

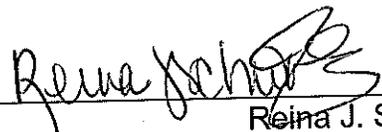
Company Name	Contract Amount	ESBE %
Pacific States Environmental Contractors, Inc.	\$850,516	41%
Evans Brothers	\$869,180	37%
Shaw Environmental, Inc.	\$893,198	22%
Teichert & Son Construction	\$1,021,960	26%
Ramcon	\$1,081,107	90%
HSR, Inc.	\$1,129,125	15%
PARC Specialty Contractors	\$1,280,715	100%
Envirocon, Inc.	\$1,309,840	23%

**Financial Considerations:** Sufficient funding in the 2003 Capital Improvement Revenue Bond (CIRB) funds (Fund 3003) is available in the North Area Corporation Yard Remediation project (C13001400) to award the construction contract to Pacific States Environmental Contractors, Inc. for the excavation, treatment, and disposal of contaminated soils in an amount not to exceed \$850,516.

**Emerging Small Business Development (ESBD):** Pacific States Environmental

Contractors, Inc. has an emerging/small business enterprise percentage total of 41% for this project.

Respectfully Submitted by:   
Cynthia Kranc  
Facilities Manager

Approved by:   
Reina J. Schwartz  
Director, Department of General Services

Recommendation Approved:

  
Ray Kerridge  
City Manager

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**Attachment 1****BACKGROUND INFORMATION:**

- In June 2003, the City of Sacramento purchased the property at 918 Del Paso Road for use as a north area corporation yard for City operations (Resolution 2003-362). The property was formerly owned by Consolidated Freightways, a trucking company. Six underground storage tanks used to store fuel, oil, waste oil, and antifreeze existed on the site. There was known underground contamination at the fuel site from a documented diesel fuel release in 1987. The City of Sacramento did not fill or use any of the underground storage tanks from the date of purchase. The City assumed responsibility for cleaning up the site under the regulatory authority of the California Central Valley Regional Water Quality Control Board (Water Board).
- In December 2004, the City contracted with Blymyer Engineers, Inc., to resume monitoring of ground water and to provide specifications and scope for development of a final remediation plan (FRP). The first quarterly monitoring report was submitted in March 2005.
- On October 7, 2005, three underground storage tanks were removed. Diesel contamination under tanks, dispensers, piping and in backfill (pea gravel) was detected. Pea gravel was removed and disposed of. The site remains open.
- On October 17, 2005, three additional underground storage tanks were removed. Ethylene glycol and waste motor oil contamination was detected under the tanks. The tank pit was over excavated and re-sampled, and the samples indicated no contamination. The tank pit was filled with clean fill and paved over.
- On November 21, 2005, a "notification of unauthorized release/contamination site report" for waste oil and ethylene glycol was filed with the Sacramento County Environmental Management Division.
- On August 16, 2006, the City of Sacramento was accepted into the State Water Resources Control Board's Orphan Site Cleanup Account Program, established by Assembly Bill 1906. The fund provides reimbursement of eligible underground storage tank cleanup costs. The City has approximately \$438,000 in reimbursable expenses available for the implementation of the FRP.
- On June 4, 2007, the Department of General Services released a Request for Proposals for the Preparation and Implementation of a Final Remediation Plan (FRP). AMEC Geomatrix, Inc. was selected as the most qualified to prepare and implement the FRP for NACY.

- On August 28, 2007, City Council adopted Resolution No. 2007-625 accepting a proposal from AMEC Geomatrix, Inc. and authorizing an agreement in an amount not to exceed \$86,735 for the preparation of a FRP for NACY.
- In April 2008, AMEC Geomatrix, Inc. completed the FRP which was approved by the Water Board on May 16, 2008. The remediation plan calls for the excavation of contaminated soil and on-site treatment with proprietary microbial compost. Treatment wells will be installed in the excavation pit in case further remediation is needed. The pit will be filled with the treated soil and clean overburden. Groundwater quality will be monitored for at least one year or until the Water Board declares that the site meets clean up standards.
- In July 2008, the implementation of the FRP was to commence, however, the project was delayed due to insufficient funding. The NACY tenants (Departments of Transportation, Utilities, General Services and Parks) and the Budget, Policy, and Strategic Planning Division (Budget Division) of the Department of Finance began meeting to develop a funding plan.
- In October 2008, the City departments and Budget Division agreed to a funding plan. In an effort to minimize capital outlay for the remediation effort, the NACY tenants have agreed to perform much of the non-hazardous work on the project in-house.
- On October 28, 2008, the Water Board issued a warning letter to the City stating that if the City did not show significant progress in implementing the remediation plan by December 31, 2008, formal enforcement actions may be taken (see Attachment 2). Delay in moving forward with the remediation could result in fines of up to \$5,000 per day per violation.
- On December 2, 2008, City Council adopted Resolution No. 2008-778, authorizing the funding and implementation of the Final Remediation Plan (FRP) to clean up toxic soil and groundwater contamination at the North Area Corporation Yard.
- A time-only amendment is currently being processed with the State Water Resources Control Board processing an extension of the grant end date from March 31, 2009 to May 1, 2009.

Attachment 2



Linda Adams  
Secretary for  
Environmental  
Protection

California Regional Water Quality Control Board  
Central Valley Region  
Karl E. Longley, ScD, PE, Chair

11020 Sun Center Drive #200, Rancho Cordova, California 95670-6114  
Phone (916) 464-3291 • FAX (916) 464-4645  
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Arnold  
Schwarzenegger  
Governor

28 October 2008

Mr. Karl Kurka  
City of Sacramento - Department of General Services  
5730 24<sup>th</sup> Street, Building No. 4  
Sacramento, California 95822

**PROJECT STATUS, CITY OF SACRAMENTO NORTH CORPORATION YARD,  
918 DEL PASO ROAD, SACRAMENTO, SACRAMENTO COUNTY**

The California Regional Water Quality Control Board, Central Valley Region (Central Valley Water Board) staff has reviewed the Project File for the Site and recent correspondence from you. Your letter indicates that there are insufficient funds currently allotted to implement and complete the approved final remedial alternative. A Remediation Status Report was due **15 August 2008**. This report is late and was to include the analytical results of the confirmation soil samples collected during excavation activities and the final dimension and location of the excavation. Completion of the ex-situ treatment, backfill of the excavation, and submission of a Final Remediation Status Report is due by **31 October 2008**. Excavation activities have not begun and this due date will also be exceeded.

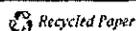
Central Valley Water Board staff understands that the City is experiencing significant budget constraints. However, this Site has been an open case for more than 20 years. The City has received significant support and funding from the State Water Resources Control Board's Orphan Site Cleanup Account (OSCA) to aid in the investigation and cleanup of this Site.

As the Responsible Party, the City of Sacramento is liable for investigation and restoration of the beneficial uses of the waters of the State of California that have been degraded from the pollutant release at the Site. Lack of funding from the State Water Resources Control Board's OSCA or the State Water Resources Control Board's Underground Storage Tank Cleanup Fund (UST Fund) does not relieve Responsible Parties from their obligations to protect public health and restore beneficial uses of impacted groundwater.

If the City of Sacramento does not show significant progress in implementing the approved final remedial alternative, Central Valley Water Board staff will recommend to management that formal enforcement actions be taken to assure the City of Sacramento's compliance with the necessary cleanup activities.

Formal enforcement can include issuance of a Cleanup and Abatement Order (CAO), or a 13267 Order. Violation of the due dates in a CAO can result in administrative civil liabilities (fines) of up to \$5,000 per day per violation. Central Valley Water Board staff would like to work with the City of Sacramento to initiate implementation of the final remedial alternative and move the project towards a finding of No Further Action Required, however if the City does not

*California Environmental Protection Agency*



Mr. Karl Kurka  
North Corporation Yard  
918 Del Paso Road, Sacramento

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28 October 2008

show significant forward progress by the end of the year, Board staff will be recommending formal enforcement to management.

If you have any questions, please call me at (916) 464-4792 or email me at [vfischer@waterboards.ca.gov](mailto:vfischer@waterboards.ca.gov).



Vera J. Fischer  
Engineering Geologist

cc: Ms. Judy Reid, State Water Resources Control Board, Department of Financial Assistance, Sacramento  
Mr. Dana Booth, Sacramento County Environmental Management Department, Sacramento  
Ms. Rhonda Lake, City of Sacramento, Sacramento  
Mr. Donald Daniels, Geomatrix Consultants, Inc., Oakland  
Mr. Michael Lewis, Blymyer Engineers, Inc., Alameda

**RESOLUTION NO.2009-XXXX**

**Adopted by the Sacramento City Council**

**March 24, 2009**

**AWARDING CONTRACT FOR ACTIONS RELATED TO  
THE NORTH AREA CORPORATION YARD REMEDIATION**

**BACKGROUND INFORMATION:**

- A. In June 2003, the City of Sacramento purchased the property at 918 Del Paso Road for use as a north area corporation yard (NACY) for City operations (Resolution 2003-362). The property was formerly owned by Consolidated Freightways, a trucking company. Six underground storage tanks used to store fuel, oil, waste oil, and antifreeze existed on the site. There was known underground contamination at the fuel site from a documented diesel fuel release in 1987. The City of Sacramento did not fill or use any of the underground storage tanks from the date of purchase. The City assumed responsibility for cleaning up the site under the regulatory authority of the California Central Valley Regional Water Quality Control Board (Water Board).
- B. On January 18, 2009, the Department of General Services issued Bid No. B0913001551002 for implementation of hazardous waste clean up tasks for NACY. Pacific States Environmental Contractors, Inc. was determined to be the lowest responsive and responsible bidder.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

- Section 1. The construction plans and specifications for the excavation, treatment and disposal of diesel contaminated soils at NACY are approved and a one-year construction contract with a one-year renewal option is awarded to Pacific States Environmental Contractors, Inc., in an amount not to exceed \$850,516 for the two year period.
- Section 2. The City Manager or the City Manager's designee is authorized to execute the construction contract and renewal option specified above.