



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Planning &
Development
Department No.: 053
For Agenda Of: October 1, 2019
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department
Director: Lisa Plowman, Director, Planning & Development (805) 568-2085
Contact Info: John Zorovich, Deputy Director, Energy, Minerals, and Compliance
Division (805) 568-2519
SUBJECT: **Approval of Amendment No. 1 to the Professional Services Contract with MRS Environmental Inc. to Complete a Supplemental Environmental Impact Report for the ExxonMobil Interim Trucking for Santa Ynez Unit (SYU) Restart Project located in the 3rd Supervisorial District**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, and authorize the Chair to execute Contract Amendment No. 1 to the Professional Services Agreement BC19069 with MRS Environmental Inc. (MRS) in the amount of \$148,775.00 for a total contract not-to-exceed cost of \$336,813.00 for the preparation of the Final SEIR for ExxonMobil's Interim Trucking for Santa Ynez Unit Phased Restart Project (Project). The recommended Contract Amendment No. 1 is included as Attachment 1-A.
- b) Authorize the Director of Planning and Development, or designee, to approve immaterial changes in accordance with Section 35 of the Agreement.
- c) Determine that this action is exempt from CEQA pursuant to CEQA Guidelines Section 15378(b)(5), which exempts organizational or administrative activities of governments that will not result in direct or indirect physical changes to the environment.

Summary Text:

Final SEIR. Contract Amendment No. 1 includes \$148,775.00 in additional funding to respond to a higher than anticipated level of public comments received on the Draft SEIR, update the Final EIR to address comments and issue area support for hearings and report preparation (Contract Tasks 6 through 8; Attachment 1-A). These costs result from: (1) additional and/or updated analyses for Biological Resources, Cultural Resources, Traffic Assessment, Noise Assessment and peer-review of Applicant updated Traffic Assessment and Health Risk Analysis Reports; (2) a higher number of *unique* comments on the Draft SEIR than anticipated in the scope of work (assumed maximum of 100 vs. 356 received); (3) preparation of the Final SEIR and incorporation of additional analyses; (4) additional support for County staff should the development of additional conditions be required; and (5) attendance at additional decision maker hearings, if needed; and replenishment of the depleted contingency.

The requested scope modification for Tasks 6 through 8 is provided in the August 19, 2019 memorandum from MRS which is included in Attachment 1-A.

Background: ExxonMobil's proposed project is summarized below:

ExxonMobil's proposal is to initiate interim trucking of limited crude oil production from the LFC until a pipeline alternative becomes available to transport crude oil to a refinery destination. The proposed project includes the installation of piping modifications for crude oil transfer from holding tanks to tanker trucks, loading racks, piping modifications for vapor recovery and four Lease Automatic Custody Transfer (LACT) Units for royalty determination. Trucking is proposed to occur seven days per week, 24-hours per day, with no more than 70 trucks leaving the facility within a 24-hour period to one or both of the two identified receiver sites located in Santa Maria and/or Maricopa.

ExxonMobil's application for a Revision (Case No. 17RVP-00000-00081) to their existing Development Plan (Case No. 87-DP-032cz) was deemed complete for processing on February 20, 2018. On April 3, 2018, P&D released a Request for Proposals to prepare the SEIR. ExxonMobil selected MRS to prepare the SEIR. On July 3, 2018, the Board approved the SEIR contract. On July 23, 2018, P&D approved Change Order #1 to conduct a Quantitative Risk Assessment for truck loading activities to support the significance determination for risk of upset impacts. On February 15, 2019 P&D approved Change Order #2 which authorized the preparation of an Air Toxics Assessment of the trucking operation and preparation of a cumulative risk assessment for trucking activities. Change Order #3 was approved on April 4, 2019 to print additional bound copies of the Draft SEIR and executive summaries for public release and circulation. No other change orders or amendments have been processed for this contract to-date. These costs were covered by the contingency amount.

Fiscal and Facilities Impacts:

Costs for consultant preparation and processing of the SEIR will be fully reimbursed by ExxonMobil. With this Amendment No. 1, the not-to-exceed cost of completing the Supplemental Environmental Impact Report total increases from \$188,038.00 to \$336,813.00; which includes a new contingency total of \$35,864.00. This amount includes a base cost increase from \$163,511.00 to \$300,949.00 and a contingency increase from \$24,527.00 to \$35,864.00. The applicant will deposit the authorized amount (\$148,775.00) upon the Board's approval of the requested Contract Amendment No. 1.

P&D will continue to invoice the applicant for all staff time necessary to administer the Agreement for Services and related planning activities. Funding for this project is budgeted in the Permitting Budget Program on page D-269 of the County of Santa Barbara Fiscal Year 2019–20 adopted budget.

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
Other:			336,813.00

The applicant has provided original contract funds in the amount of \$188,038.00 and will provide the additional \$148,775.00 to increase the total not-to-exceed cost to \$336,813.00, including \$11,337 in additional contingency funding. The additional funds will be allocated to Contract Tasks 6 through 8. Upon approval of this contract modification, the depleted contingency will be replenished by \$11,337 and the total contingency amount will increase to a total of \$35,864. Any contingency funds used must be identified by the consultant and approved by P&D Director, or designee, prior to the work commencing.

Key Contract Risks:

A risk analysis was performed on the original proposed contract and was determined to be of low risk. The contract amendment amount of \$148,775.00 will be paid in-full by the applicant in the form of a deposit to the County. As such, there is low risk to County fiscal resources for the contract amount. The contract will continue payment arrangements based on periodic compensation at selected milestones. Funds from the deposit will only be expended upon satisfactory product delivery and performance by MRS Environmental Inc.

Staffing Impacts:

Legal Positions: N/A

FTEs: N/A

Special Instructions:

The Clerk of the Board will forward a copy of the complete executed Contract Amendment 1 to the Agreement for Services and Minute Order to: P&D, Energy, Minerals & Compliance Division, Attention: Kathryn Lehr.

Attachments:

Attachment 1:

- A. Contract Amendment No. 1 to Agreement for Services (BC19096)
- B. Change Orders #1, #2 and #3
- C. Original Contract

Attachment 2: Board Contract Summary

Authored by: Kathryn Lehr, Planner

ATTACHMENT 1-A: CONTRACT AMENDMENT NO. 1

ATTACHMENT 1-A
BOARD OF SUPERVISORS CONTRACTOR AMENDMENT
NO. 1 TO
AGREEMENT BETWEEN COUNTY OF SANTA BARBARA
AND MRS ENVIRONMENTAL INC

This Contract Amendment (hereinafter referred to as Amendment No. 1) constitutes a modification to the original Agreement between County of Santa Barbara (COUNTY) and MRS Environmental Inc. (CONTRACTOR), Contract No. **BC19096**, which was entered into on July 3, 2018.

Effective as of October 1, 2019, the original Agreement is modified as follows:

1. The following work is added to Exhibit A of the Agreement as attached hereto and incorporated herein by reference:
 - a. As described in MRS Environmental Inc.'s memorandum to Santa Barbara Planning & Development dated August 26, 2019 which is included herein as Attachment 1-A.
2. Additional funding of \$148,775.00 is added to the Agreement. Exhibit B of the Agreement, Section "A" is deleted and replaced in its entirety as follows:

For CONTRACTOR services to be rendered under this Agreement, CONTRACTOR shall be paid a total base contract amount, including cost reimbursements, not to exceed \$300,949.00. Upon written approval by the Director of Planning and Development, or designee, a contingency cost may be approved beyond the total base in an amount not to exceed \$35,864.00, making the overall Agreement total, including cost reimbursements, not to exceed cost is \$336,813.00.
3. The Contractor agrees to comply with the changes in compensation for each of the specific tasks added as follows:
 - a. Tasks 6 through 8 will be augmented by \$137,438.00 and
 - b. The contingency will also be replenished by \$11,337.00 for a total of \$148,775.00
4. The time provided (in working days) to complete each of the above-described work tasks is as follows:
 - a. As described in Attachment 1-A.
5. The revised schedule for the total project is as follows:
 - a. As described in Attachments 1-A.
6. Any and all change orders, including but not limited to Change Orders 1, 2 and 3 which are attached hereto in Attachment 1-B and incorporated herein by reference.

CONTRACTOR understands and agrees that the compensation and time granted herein constitutes the total and entire compensation for these changes in the work. All other terms and conditions of the original agreement, as previously amended, if applicable, shall remain in full force and effect.

(Signatures on following page)

In witness whereof, the parties have executed this Amendment No. 1 to the original Agreement, Contract No. **BC19096**.

ATTEST:

CLERK OF THE BOARD

By _____
Deputy Clerk of the Board

Steve Lavagnino, Chair, Board of Supervisors

APPROVED AS TO FORM:

MICHAEL C. GHIZZONI
County Counsel

Contractor
John F. Peirson Jr., President
MRS Environmental Inc.

By _____

RAY AROMATORIO
Risk Manager

By _____

APPROVED AS TO FORM:

BETSY SCHAFFER, CPA
Auditor-Controller

LISA PLOWMAN, Director
Planning and Development

By _____

By _____

ATTACHMENT 1-B: CHANGE ORDERS

ATTACHMENT 1-C: ORIGINAL CONTRACT

ATTACHMENT 2: BOARD CONTRACT SUMMARY