



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: April 20, 2021
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. 2 to the Professional Services Contract No. BC19069 with MRS Environmental Inc. for revisions to the Supplemental Environmental Impact Report for the ExxonMobil Interim Trucking for Santa Ynez Unit 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. 2 to the Professional Services Agreement BC19069 with MRS Environmental Inc. (MRS) (CEQA Consultant) in the amount of \$39,864 for a total contract not-to-exceed cost of \$376,677 for revisions to the Final Supplemental Environmental Impact Report (SEIR) for ExxonMobil's Interim Trucking for Santa Ynez Unit Phased Restart Project (Project). The detailed statement of work is included as Attachment 2.
- 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:

Contract Amendment No. 2 includes \$39,864 in additional funding to revise the Final SEIR (Contract Task 7) to address a change in circumstances which would limit the use of the Santa Maria Pump Station (SMPS), the main trucking destination for the proposed Project. These costs result from the planned shutdown of the SMPS (estimated for 2023), which was announced by Phillips 66 in August 2020. With this project modification, the Final SEIR will need to be reviewed and modified as necessary to address the limited use of the SMPS (anticipated for up to two years instead of seven). Anticipated revisions will be made to the Project Description, Alternatives, Cumulative Scenario, Environmental Analysis, Other CEQA Related Requirements, and Response to Comments sections of the Final SEIR. This contract amendment request also includes a 10 percent contingency fund. The requested scope modification is provided in the March 10, 2021 memorandum from MRS, included as Attachment 2.

Background:

ExxonMobil is requesting to revise their existing Development Plan (Case No. 17RVP-00000-00081 to 87-DP-032cz) to allow the installation and operation of a new oil tanker truck loading rack and appurtenant equipment at the Las Flores Canyon (LFC) processing facility to transport produced crude oil from the LFC to the Phillips 66 SMPS and the Plains Pentland Terminal.

The proposed Project was set for hearing at the Planning Commission in September 2020; however, in August 2020, Phillips 66 announced plans to shut down the SMPS and their upstream facilities in 2023, essentially removing the main trucking destination for the proposed Project. Due to this change, ExxonMobil would not be able to use the SMPS for the full duration of the Project (up to seven years); therefore ExxonMobil is requesting to modify the Project to include trucking to SMPS until it is shutdown (anticipated for 2023). Following closure of the SMPS, all the proposed trucking would travel to the Pentland Terminal. With this Project modification, the Final SEIR will need to be modified as necessary to address the limited use of the SMPS.

These recommend modifications would serve to address the changes associated with the future shutdown of the SMPS and: (1) would not result in any changes that would result in the need to recirculate the SEIR; (2) would assure the Final SEIR is consistent with the staff report; and (3) would provide substantial evidence that the shutdown of the SMPS does not affect the overall impacts of the proposed Project that were presented in the Public Draft SEIR and the initial Final SEIR. Details of the anticipated changes to the SEIR are included in Attachment 2.

Contract BC19069 was approved by the Board of Supervisors on July 3, 2018. The contract includes seven subsequent change orders, and one previously approved contract amendment.

Fiscal and Facilities Impacts:

Costs for consultant preparation and processing of the Final SEIR will be fully reimbursed by ExxonMobil. With this Amendment No. 2, the not-to-exceed cost of completing the SEIR total increases from \$336,813.00 to \$376,677; which includes a new contingency total of \$39,488. This amount includes a base cost increase from \$300,949.00 to \$337,189, and an overall contingency increase from \$35,864.00 to \$39,488. The applicant will deposit the authorized amount (\$39,864) with P&D upon the Board's approval of the requested Contract Amendment No. 2.

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-294 of the County of Santa Barbara Fiscal Year 2020–21 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:			376,677.00

The applicant has provided contract funds in the amount of \$336,813 and will provide the additional \$39,864 to increase the total not-to-exceed cost to \$376,677, including \$3,624 in additional contingency funding. The additional funds will be allocated to Contract Task 7. Upon approval of this contract modification, the depleted contingency will be replenished by \$3,624 and the total contingency amount will increase to a total of \$39,488. 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 \$39,864 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.

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 No. 2 to the Agreement for Services and Minute Order to: P&D, Energy, Minerals & Compliance Division, Attention: Jacquelynn Ybarra @ jybarra@countyofsb.org.

Attachments:

- Attachment 1: Contract Amendment No. 2 to Agreement for Services (BC19096)
- Attachment 2: MRS Statement of Work and Cost Estimate
- Attachment 3: Original Contract
- Attachment 4: CEQA Notice of Exemption

Authored by:

Jacquelynn Ybarra, Planner III

ATTACHMENT 1

BOARD OF SUPERVISORS CONTRACTOR AMENDMENT NO. 2 TO AGREEMENT BETWEEN COUNTY OF SANTA BARBARA AND MRS ENVIRONMENTAL, INC.

This Contract Amendment (hereinafter referred to as Amendment No. 2) 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 April 20, 2021, 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 March 10, 2021 which is included herein as Attachment 2.
2. Additional funding of \$39,864 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 \$337,189. 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 \$39,488, making the overall Agreement total, including cost reimbursements, not to exceed cost is \$376,677.
3. The Contractor agrees to comply with the changes in compensation for each of the specific tasks added as follows:
 - a. Task 7 will be augmented by \$36,240; and
 - b. Contingency will be replenished by \$3,624; and
 - c. Total for (a.) and (b.) of \$39,864.
4. The time provided (in working days) to complete each of the above-described work tasks is as follows:
 - a. As described in Attachment 2.
5. The revised schedule for the total project is as follows:
 - a. As described in Attachment 2.

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. 2 to the original Agreement, Contract No. **BC19096**.

ATTEST:

CLERK OF THE BOARD

By _____
Deputy Clerk of the Board

Bob Nelson, Chair, Board of Supervisors

APPROVED AS TO FORM:

MICHAEL C. GHIZZONI
County Counsel

Contractor
Greg Chittick, Vice 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 2:
MRS STATEMENT OF WORK AND COST ESTIMATE**

**ATTACHMENT 3:
CONTRACT BC19069**

**ATTACHMENT 4:
CEQA NOTICE OF EXEMPTION**