

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract amendment with **Axelrod, LLC** to provide **Environmental Consulting Services** for investigation and cleanup of the former Eugene Manufactured Gas Plant (MGP).

Board Meeting Date: February 5, 2013
Project Name/Contract#: Environmental Consulting for MGP Site
Primary Contact: Steve Newcomb Ext. 7391
Secondary Contact: Roger Gray Ext. 7130
Purchasing Contact: Guy Melton Ext. 7426

Action Requested:

Contract Award
 Contract Renewal
 Contract Increase
 Other

Contract Amount:

Original Contract Amount: \$ 250,000
Additional \$ Previously Approved: \$ 374,000
Invoices over last approval: \$ 0
Percentage over last approval: 0 %
Amount this Request: \$ 200,000 (over 2 years)
Resulting Cumulative Total: \$ 824,000

Funding Source:

Budget
 Reserves
 New Revenue
 Bonding
 Other

Contracting Method:

Method of Solicitation: Sole Source Exemption No. SS-298
If applicable, basis for exemption: EWEB Rule 6-0110(1)(f)
Term of Agreement: Through December 31, 2014
Option to Renew? Yes

Form of Contract:

Single Purchase
 Services
 Personal Services
 Construction
 IGA
 Price Agreement
 Other

Approval for purchases "as needed" for the life of the contract: No

Narrative:

The Board is being asked to approve a contract amendment with **Axelrod, LLC** for **environmental services** related to hazardous materials site investigation, cleanup and remedial actions, environmental risk assessment and site restoration activities. Under this contract amendment Axelrod would continue to provide services for the MGP site investigation through DEQ's issuance of the Record of Decision regarding the final cleanup remedy for the site, and decommissioning/cleanup of various headquarters buildings and structures.

EWEB has need for professional consulting services in support of the investigation, cleanup, remediation and restoration of hazardous materials sites. Mr. Axelrod has the historical and technological knowledge vital to the successful completion of all regulatory expectations and requirements related to hazardous materials sites, including work to support potential litigation.

If approved, Axelrod LLC will provide professional consulting services including services to assess, investigate, and remediate hazardous material contaminated sites. These services may also include the design and performance of assessment, investigation, remedial and restoration activities, or the oversight of the performance of such activities by a third party, if needed.

Services would be on an as needed basis with a potential not-to-exceed cost of \$200,000 over two years.

ACTION REQUESTED:

Management requests Board approve an amendment to a contract with **Axelrod LLC** for environmental consulting services. Funds for these services have been budgeted for 2013 and will be budgeted annually, if needed.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Assistant General Manager: _____

Purchasing Manager: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital
FROM: Steve Newcomb, Environmental Manager and Debbie Spresser, Environmental Specialist
DATE: February 25, 2013
SUBJECT: Consent Calendar Request to Amend Contract for Environmental Consulting Services with Axelrod LLC

Issue: This memo provides background information for a consent calendar request to amend the existing contract with Axelrod, LLC for environmental consulting services related to investigation and cleanup/remediation of hazardous substance contamination on EWEB properties, including the former Eugene Manufactured Gas Plant (MGP) Site.

Background: Russ Axelrod of Axelrod LLC, has been EWEB's environmental consultant for the MGP Site Investigation/Feasibility Study since 1994 (initially with PTI Environmental Services and then with Exponent). The former Eugene MGP operated from 1907 to 1950 to produce gas for street lights and heating. EWEB purchased the property in 1978 and in the early 1990's discovered subsurface contamination from historic MGP operations. At that time, EWEB entered into an intergovernmental agreement (IGA) with Oregon Department of Environmental Quality (DEQ) to investigate the extent of contamination and identify remedial/cleanup options to address the contamination. EWEB also entered into a "cost sharing" Participation Agreement (PA) with successors of former owners/operators of the MGP under which EWEB pays 16.66% and the other parties pay 83.3% of the investigation and cleanup costs (excluding attorney fees and staff time). All investigative and remedial action alternative studies have been completed by Axelrod LLC and approved by DEQ. In 2013 EWEB anticipates that DEQ will finalize a recommendation for site remedial action. EWEB is currently negotiating with the parties to the PA on an agreement that will govern the cleanup/remedial phase of the project.

Mr. Axelrod is also providing consulting services related to: subsurface contamination encountered during decommissioning of the Steam Plant's underground 100,000 gallon Bunker C tank; and subsurface contamination on the north side of the Steam Plant that may or may not be related to the MGP Site.

Discussion: Management would like to extend the current contract with Axelrod LLC in order to retain the historical and technical knowledge he has acquired from his work on the project. This knowledge base is particularly critical as the DEQ finalizes the cleanup/remedial action for the MGP Site and as EWEB negotiates with the parties on the terms of the new Participation Agreement. He has demonstrated ability to complete all regulatory requirements including work to support potential litigation. His services would also be used to most efficiently complete the smaller, on-going site investigations at the headquarters site.

Recommendation: Management recommends the continued use of environmental consulting services provided by Axelrod LLC for the MGP Site and other contaminated properties owned by EWEB.

Requested Board Action: Staff requests the Board approve the consent calendar request to amend Axelrod LLC's existing contract for services on an as-needed basis with a potential not-to-exceed cost of \$200,000 over two years.