



County of San Mateo

Inter-Departmental Correspondence

Department: GOVERNING BOARD

File #: 19-1050

Board Meeting Date: 11/5/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors (Acting as the Governing Board of Commissioners for the Housing Authority of the County of San Mateo)

From: Ken Cole, Executive Director

Subject: Amendment to the Agreement with Langan Engineering and Environmental Services, Inc. for professional services

RECOMMENDATION:

Acting as the Governing Board of Commissioners of the Housing Authority of the County of San Mateo, adopt a resolution authorizing the Executive Director of the Housing Authority of the County of San Mateo, or the Director's Designee, to execute a second amendment to the agreement with Langan Engineering and Environmental Services, Inc., which modifies the scope of work to include additional indoor air and sub-slab sampling and ground water sampling, increasing the total not-to-exceed amount by \$149,800 for a new total not-to-exceed amount of \$249,700, and extending the term of the agreement through June 30, 2020.

BACKGROUND:

In 1991, the State Department of Toxic Substances Control ("DTSC") issued Imminent and Substantial Endangerment Orders I/SE-90/91-004 and I/SE-90/91-004A (and amendments) to the United States Navy, United States Department of Housing and Urban Development, PG&E, Housing Authority of County of San Mateo ("HACSM"), and the City of Daly City, alleging that the soil in a portion of the David R. Rowe Park which is located adjacent to the Midway Village Property ("Park Property") and in a portion of the Midway Village property located at 47 Midway Village Drive, Daly City, CA 94014 ("Midway Village Property") were contaminated from substances generated by the former gas manufacturing facility located adjacent to the Midway Village Property.

From approximately 1993 to 2002, remediation activities were carried out within the contaminated areas of the Midway Village Property. Deed restrictions (the "Deed Restrictions") were recorded against the entire Park Property and portions of the Midway Village Property (collectively, the "Deed Restricted Areas"). DTSC undertakes Five-Year Reviews of the Midway Village Property as part of its ongoing oversight of the Deed Restricted Areas.

On January 23, 2018, the San Mateo County Board of Supervisors, sitting as the Governing Board of

Commissioners of HACSM, authorized HACSM to enter into an exclusive negotiating rights agreement with MidPen Housing Corporation (“Developer”) for the purpose of negotiating an agreement that would set forth the terms and conditions to convey the Midway Village Property to Developer, in phases, and Developer’s redevelopment and operation of Midway Village.

On or about June 6, 2018, HACSM and DTSC entered into that certain Voluntary Oversight Agreement (the “VOA”), pursuant to which HACSM agreed to undertake certain tasks, including preparation of a soil management plan (the “SMP”). The Parties anticipate that completion of such tasks will facilitate the termination or modification of the Deed Restrictions and permit the Deed Restricted Areas to be developable with residential development.

Developer selected Langan Engineering and Environmental Services (“Langan”) through a competitive process to undertake certain environmental testing tasks related to the redevelopment of the Midway Village Property. Soil gas investigations undertaken by Langan in December 2018 detected manufactured gas plant (“MGP”) related volatile organic compounds (“VOCs”) in the soil gas samples at concentrations that exceeded established soil gas screening levels. On January 14, 2019, DTSC, HACSM, Developer, and Langan discussed the soil gas analytical results and recommendations for additional sampling at the site and DTSC recommended performing indoor air sampling to evaluate if MGP related VOCs are migrating from the subsurface into the on-Site residential, community, and office buildings at concentrations which may pose a risk to occupants. DTSC’s recommendations included immediate initiation of the indoor air and sub-slab sampling due to the potential health and safety risks to residents currently living at Midway Village (“Current Residents”).

Due to the potential health and safety risks to Current Residents, HACSM expedited the indoor air and sub-slab sampling by waiving the Request for Proposals process and executing an agreement with Langan for the purpose of undertaking indoor air and sub-slab sampling at the Midway Village Property for a total not-to-exceed amount of \$69,900 funded by Midway Village Reserves (the “Agreement”). The Agreement was executed on April 22, 2019.

On June 13, 2019, DTSC reported that groundwater located on the Midway Village Property was discovered at a much shallower depth than was reported in the previous Five-Year Review. DTSC requested that the groundwater depth and flow direction be confirmed, and that groundwater be tested for MGP related VOCs. In order to undertake groundwater testing, Langan is required to draft a workplan which details the scope and methods for groundwater testing (Groundwater Workplan). On August 14, 2019, HACSM and Langan amended the Agreement to modify the scope and budget to include the addition of two indoor air and sub-slab samples requested by DTSC and a draft Groundwater Workplan, and to increase the total not-to-exceed amount of the Agreement by \$30,000, for a new total not-to-exceed amount of \$99,900 (the “Agreement Amendment”).

DISCUSSION:

On September 19, 2019, DTSC requested a second round of indoor air and sub-slab soil gas sampling in order to confirm that the sampling results are similar under different weather conditions. The second round of sampling was not contemplated in the Agreement.

HACSM wishes to modify the Agreement, as amended, to include additional indoor air and sub-slab

soil gas sampling and groundwater testing at the Midway Village Property in order to confirm that there are no health or safety risks to Current Residents. The addition of the second round of indoor air and sub-slab soil gas and groundwater sampling will cost approximately \$149,800. Accordingly, HACSM and Langan wish to amend the Agreement to increase the amount of the Agreement by \$149,800 for a total amount not to exceed \$249,700 funded by Midway Village Reserves.

County Counsel has reviewed and approved the Amendment and the Resolution as to form.

FISCAL IMPACT:

The Agreement amendment will be funded using \$149,800 from **Midway Village Reserves**. There is no impact to the General Fund.