



Legislation Text

File #: 24-020, Version: 1

Report Prepared by: Sierra Omlin, Economic Development Associate

SUBJECT: Approval of a Professional Service Agreement with Provost & Pritchard to Provide Environmental Consulting Services to the City of Merced as the Successor Agency for FY 24/25

REPORT IN BRIEF

Considers approving a Professional Service Agreement with Provost & Pritchard to provide environmental consulting services to the City of Merced as the Successor Agency to the former Redevelopment Agency for fiscal year 24/25.

RECOMMENDATION

Successor Agency - Adopt a motion:

- A. Approving a Professional Service Agreement with Provost & Pritchard for consulting services starting July 1, 2024 through June 30, 2025, in a not to exceed amount of \$393,000.00 from the 2024 -2025 Successor Agency Recognized Obligation Payment Schedule (ROPS); and,
- B. Authorizing the Executive Director or designee to execute the necessary documents; and,
- C. Authorizing the Finance Officer to make the necessary budget adjustments.

ALTERNATIVES

- 1. Approve, as recommend by Staff; or,
- 2. Approve, subject to other than recommended by Staff; or,
- 3. Deny; or,
- 4. Refer to Staff for reconsideration of specific items; or,
- 5. Continue to a future meeting.

AUTHORITY

Charter of the City of Merced, Section 200

CITY COUNCIL PRIORITIES

As provided for in the 2024/2025 ROPS Schedule.

DISCUSSION

The City of Merced elected to serve as the Successor Agency in July 2023. The City transitioned into the Successor Agency September 17th 2023.

The Successor Agency has several requirements mandated by AB x1 26 (the dissolution of

redevelopment agencies) that call for outside expertise. Provost & Pritchard Consulting Group have been working with the Successor Agency Legal Counsel when a **Designated Local Authority (DLA)** was created by the state of California in 2012. The Staff would like Provost & Pritchard to continue to serve the Successor Agency providing remediation and environmental consulting services.

Project History

The Redevelopment Agency agreed to remediate underground contamination adjacent to the Costco site under the Costco Disposition and Development Agreement. The Agency's efforts have been directed to the former Exxon (now Chevron) gas station located at 1415 R Street. Cleanup of the gasoline plume has proceeded for several years as directed by the Regional Water Quality Control Board (RWQCB). The project has persisted because the groundwater plume contains the gasoline additive methyl tertiary butyl ether that is mobile and slow to degrade in the environment. In 2006, the RWQCB issued a Cleanup and Abatement Order for the site as a co-mingled groundwater plume. In 2008, the responsible parties entered into a contract with the Redevelopment Agency to prevent contamination from impacting groundwater in and around the Cities well and work to cleanup the site. In 2008 and 2009 injection treatment systems were installed and have been successful in reducing groundwater contamination.

Provost & Pritchard will continue performing TPH cleanup at the corner of R Street & W 15th Street, which is currently leased by Costco. The consultant will be responsible for responding to a RWQCB requirements and meet compliance. Their tasks will include producing work plans, reporting, permitting, traffic control, drilling, property access, laboratory analytical data, waste disposal, and project management. The cost of this phase of TPH cleanup in a not to exceed total of \$393,000.00 for the ROPS 2024-2025 period.

Funding for the Successor Agency Consulting Services

The Successor Agency has prepared a **Recognized Obligation Payment Schedule (ROPS)** to request funding for fiscal year 24/25. The ROPS is pending approval from the Successor Agency's governing board, the Merced Countywide Oversight Board, and the California Department of Finance. After approval, the **Redevelopment Property Tax Trust Funds (RPTTF)** are distributed twice a year to the Successor Agency. Staff, counsel and the audit and non-audit accounting fees are paid for from the RPTTF allocated to the Successor Agency for administrative costs.

The Consulting Services provided by Provost & Pritchard would be covered by the RPTTF received by the Successor Agency, thus being no financial cost to the City for their work under this contract. This contract for next fiscal year is coming before council in conjunction to the Resolution proposing the council approves the ROPS schedule for FY 24/25.

IMPACT ON CITY RESOURCES

No City of Merced General Fund dollars are used.

ATTACHMENTS

1. Proposed Professional Service Agreement with Provost & Pritchard