

**City of Culver City, California
Agenda Item Report**

Meeting Date: 12/14/09		Item Number: <u>C-9</u>	
CITY COUNCIL AGENDA ITEM: FOUR-FIFTHS VOTE REQUIREMENT :			
1) Approval of Amendment to the Existing Professional Services Agreement with Aspen Environmental Group to Expand the Scope of Work to Include Technical Assistance in Relation to Litigation Concerning the Inglewood Oil Field; and 2) Approval of Related Budget Amendment to Cover Cost of Additional Work by Aspen.			
Contact Person/Dept.: Sherry Jordan/CDD		Phone Number: (310) 253-5746	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☐ Attachments: ☐	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Agenda and Meetings – City Council (12/09/09)			
Department Approval: Sol Blumenfeld (12/09/09)		City Attorney Approval: Carol A. Schwab (by H. Baker) (12/09/09)	
Chief Financial Officer Approval: Mark Scott (by M. Noller) (12/10/09)		City Manager Approval: Mark Scott (12/10/09)	
<u>RECOMMENDATION:</u> Staff recommends that the City Council: 1) Approve an amendment to the existing professional services agreement with Aspen Environmental Group (“Aspen”) to increase the scope of work to include technical assistance in relation to litigation concerning the Inglewood Oil Field; and, 2) Approve a budget amendment to cover the cost of the amendment to the Aspen agreement, in the amount of \$35,000. This budget amendment requires a four-fifths vote of the City Council. <u>BACKGROUND / DISCUSSION:</u> On June 23, 2008, the City Council approved a budget amendment and a professional services agreement with Aspen in the amount of \$148,770, to assist the City with its review and response to the Draft Environmental Impact Report (DEIR) prepared by the County of Los Angeles relating to an application submitted by Plains Exploration and Production Company (“PXP”) for the establishment of the Baldwin Hills Community Standards District (“CSD”) and assist City staff with review and revisions to the City’s current oil well regulations and oil drilling permit application submittal requirements.			

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On October 6, 2008, the City Council approved an amendment to the existing agreement with Aspen (and related budget amendment) in the amount of \$28,796, for Aspen's continued assistance with the review and response to the CSD and DEIR due to the unexpected release of multiple versions of the CSD, which resulted in substantially more work by staff and Aspen.

On May 11, 2009, the City Council approved a second amendment to the existing agreement with Aspen (and related budget amendment) in the amount of \$20,000, for Aspen's review of the Implementation Plan and related documents required by the CSD, including, but not limited to, an Air Monitoring Plan, Odor Minimization Plan, and Accumulated Ground Movement Plan (the "Plans").

Subsequent to this last amendment, it has been necessary to review and comment on the most recent 2010 Drilling Plan that was submitted to the County by PXP in November 2009. In addition, there have been ongoing discussions with the County and PXP relating to existing litigation involving the operation of the Inglewood Oil Field that requires technical input from Aspen. This additional work and related cost was not anticipated at the time of the approval of the initial agreement or subsequent amendments. Therefore, staff is requesting that the City Council approve a third amendment to the existing agreement with Aspen in an additional amount not to exceed \$35,000 to cover such work. As has been experienced throughout this process, staff may need to request additional funds as this process continues.

FISCAL ANALYSIS:

The City Council has approved budget amendments in the total amount of \$197,566 from General Fund unappropriated reserves to fund the original contract and two subsequent amendments. The total amount needed to cover both the existing contract, first and second amendments, and the requested third amendment is \$232,566 (including a 15% contingency). This fee includes review of the DEIR and CSD standards and preparation of comments (including the comparison of the City's comments with those made by the Greater Baldwin Hills Alliance), which work has already been completed; review and revisions to the City's current oil well regulations and oil drilling permit application submittal requirements, and review and comment on the Implementation Plan and related documents for the CSD, which work is ongoing; and the most recent tasks of reviewing the 2010 Drilling Plan relating to the CSD and providing technical assistance in relation to litigation concerning the Inglewood Oil Field.

A budget amendment for \$35,000 from General Fund unappropriated reserves is needed to fund this third amendment to the existing agreement. There are sufficient available funds within the General Fund reserve to cover this request. If approved,

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these funds will be appropriated in the Planning Division's account 10152100.619800 – Other Contractual Services. A 4/5ths vote is required for a budget amendment.

ATTACHMENTS:

None.

MOTION:

That the City Council:

1. Approve a budget amendment to appropriate \$35,000 from General Fund unappropriated reserves to the Planning Division's Other Contractual Services account (10152100.619800); and,
2. Approve an amendment to the existing professional services agreement with Aspen (Contract No. 2008-084) for an additional amount not to exceed \$35,000 (for a total contract amount not-to-exceed \$232,566) (a budget amendment requires a 4/5ths vote); and,
3. Authorize the City Attorney to review/prepare the necessary documents; and,
4. Authorize the City Manager to execute such documents on behalf of the City.