

**AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES TO  
PREPARE AN ENVIRONMENTAL IMPACT REPORT (EIR)**

This amendment to the AGREEMENT TO PROVIDE CONSULTING SERVICES TO THE CITY OF HERMOSA BEACH dated May 28, 2012 (the "Agreement") is made by and between the City of Hermosa Beach, a municipal corporation, located at Civic Center, 1315 Valley Drive, Hermosa Beach, California 90254-3885, hereinafter referred to as "CITY", and "Marine Research Specialists" (MRS), 3140 Telegraph Road, Suite A, Ventura, CA 93003-3238, hereinafter referred to as "CONSULTANT."

I. The Scope of Services and Budget in Paragraphs A and C of Article 1 and Article 2 of said Agreement set forth in Exhibit A to the original agreement is replaced by the revised Scope of Services, Budget and Rate dated May 8, 2014 set forth in Exhibit A attached hereto.

II. The term of said Agreement in Article 7 is extended to December 31, 2014.

III. All other provisions of said Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Agreement as of the date and year first written below.

MRS

By:  \_\_\_\_\_

Date: 5/16/14

Title: Steve Radis, Principal

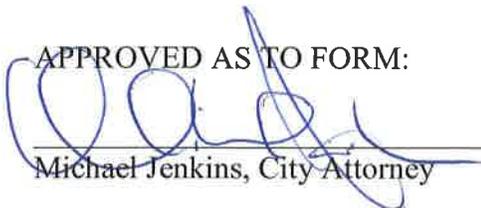
THE CITY OF HERMOSA BEACH

By:  \_\_\_\_\_

Date: 5/21/14

Title: City Manager

APPROVED AS TO FORM:

 \_\_\_\_\_  
Michael Jenkins, City Attorney

ATTEST:

 \_\_\_\_\_  
Elaine Doerfling, City Clerk

# Exhibit A



May 8, 2014

Mr. Ken Robertson  
*Director of Community Development*  
City of Hermosa Beach  
1315 Valley Drive  
Hermosa Beach, California 90254

Re: Proposed Revised Scope of Work and Cost Estimate for the E&B Oil Project EIR.

Dear Ken:

As we discussed, Marine Research Specialists (MRS) is proposing to revise the scope of work and cost estimate for the preparation of the E&B Oil Drilling and Production Project EIR to be reimbursed for additional costs incurred beyond those originally projected. This is based on the out of scope costs incurred in the preparation of the Draft EIR to date and the projected costs to complete the Final EIR and responses to comments. This letter provides details of expenditures to date, areas where expenditures have occurred beyond those expected in our original proposal, and projected future costs to finalize the EIR efforts.

MRS has submitted bills for the preparation of the EIR since June of last year as follows:

- *Invoice No.:* 514-2013-01-- **\$26,721.70**
- *Invoice No.:* 514-2013-02 -- **\$65,500.31**
- *Invoice No.:* 514-2013-03 -- **\$41,629.51**
- *Invoice No.:* 514-2013-04 -- **\$67,555.74**
- *Invoice No.:* 514-2013-05 -- **\$89,604.95**
- *Invoice No.:* 514-2013-06 -- **\$62,648.18**
- *Invoice No.:* 514-2013-07 -- **\$147,659.47**
- *Invoice No.:* 514-2014-08 -- **\$142,050.91**
- *Invoice No.:* 514-2014-09 -- **\$124,930.68**

The total costs to the contract up to Invoice No. 514-0294-09 is \$768,301.45 of the total contract amount of \$794,665. In addition, MRS has submitted Invoice No. 514-2014-10 for costs incurred through the month of March for a total of \$69,730.13. Adding the costs of the month of March to the overall amount spent would exceed our contract budget by \$43,366.58. The reasons for the cost exceedances to date (which include costs incurred in April, but not yet billed) are as follows:

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- Project description changes including additional Project parking, the temporary yard site, employee parking and truck routes, among others. These additions or changes generated additional analysis and review in various issue areas that were not contemplated in the original budget.
- Additional collection of baseline noise monitoring data from the original proposal at the existing Public Works Yard. 1-week monitoring at eight locations (instead of 48-hour monitoring at 10 locations originally envisioned).
- Additional collection of baseline noise monitoring data from the original proposal at the new Temporary Public Works Yard.
- The inclusion of a contract with Padre and Associates for reviewing the Remedial Action Plan materials and studies submitted by E&B, conduct supplemental site assessment activities at the maintenance yard site, preparing an alternative Remedial Action Plan, and provide general consulting services on behalf of MRS and the City of Hermosa Beach for the preparation of the EIR.
- Assistance in providing information used in the preparation of the Health Impact Assessment, including additional air quality modeling runs, reviewing and commenting on HIA Reports not originally envisioned in the budget.
- The original scope contemplated 12 meetings with the City for various purposes, and meetings to date have exceeded 30 meetings, including meetings with the City, Public Works, City of Redondo Beach, State Lands Commission, the Applicant, HIA consultants, etc., significantly exceeding the budget.
- In the Cultural Resources section, additional costs were incurred for assessment of resources including indirect effects to City Hall, assessment of the building on Cypress Street, and for the furnace at the oil development site. The assumption made for the project scope was that no more than one resource would be evaluated and recorded (the former landfill site).
- The original budget assumed the Draft EIR would have 450 pages; however, the actual Draft EIR contained in excess of 1,000 pages.
- The original budget contemplated printing 50 copies of the Draft EIR; however, the City requested printing and delivery of 100 copies of the Draft EIR.

The above mentioned changes to the original scope caused the budget to be spent at a faster rate than was expected and it caused the budget to be exceeded in advance of the preparation of the Final EIR. Furthermore, some of the budget items exceeded during the preparation of the Draft EIR will also have repercussion on the cost of the preparation of the Final EIR. Finally, there are a number of items that would require additional effort for preparation of the Final EIR beyond that originally envisioned and they are detailed as follows:

- The original budget assumed responding to 150 comments as part of preparation of the Final EIR. However, we have received in excess of 1,500 comments from approximately 125 commenters without counting the number of comments received during the two Planning Commission Comment hearings.

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- The original budget assumed that no new analysis would be necessary as a result of the comments made on the EIR. However, comments by E&B include a number of modifications to design features that require additional analysis to ascertain level of impacts in Risk, Air Quality, Noise and Visual, among others.
- MRS is also envisioning a role, as requested by the City, in providing revised data, reviewing and commenting on the revised Health Impact Assessment to be prepared in the near future.
- The original scope envisioned that the Final EIR would not exceed 600 pages; however, in view of the fact that the Draft EIR already exceeded 1,000 pages, it is safe to assume that the Final EIR will exceed 1,200 pages. Similarly, we envision printing an equal number of Final EIRs to those printed for the Draft EIR (100), exceeding the 50 envisioned in the original scope.

The total cost of the proposed budget revision is \$306,440. This amount would include costs incurred beyond the budget from the month of March (\$43,366.58), the costs incurred during the month of April (yet to be billed), the costs to produce the Final EIR and other projected costs to take us to the end of the contract. A detailed proposed budget revision combining the overall number of hours spent beyond the original scope and the hours required to complete the Final EIR and through the end of the contract are provided in Attachment 1.

Thank you in advance for your consideration of this matter. If you have any questions, please do not hesitate to give me a call at 805.289.3930.

Best Regards,

A handwritten signature in black ink, appearing to read 'Luis F. Perez', with a stylized flourish at the end.

Luis F. Perez  
Senior Project Manager

**Attachment 1 Additional Work Beyond the Original Scope Needed to Complete the Final EIR**

Key Staff	Classification	Rate (\$/hr)	Administrative Final EIR		Final EIR/ MWP		Meetings/ Hearings		Findings		Total	
			Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
<b>Direct Labor</b>												
<b>A. Project Description/Alternative Screening</b>												
S. Radis	Principal I	\$200.00	2	\$400	0	\$0	0	\$0	0	\$0	2	\$400
G. Chittick	Senior Manager III	\$180.00	16	\$2,880	0	\$0	0	\$0	0	\$0	16	\$2,880
L. Perez	Deputy Project Manager	\$200.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
<b>Total Project Description and Alternatives</b>			<b>18</b>	<b>\$3,280</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>18</b>	<b>\$3,280</b>
<b>B. Safety and Risk of Use/Hazards</b>												
G. Chittick	Senior Engineer	\$180.00	56	\$10,080	8	\$1,440	0	\$0	0	\$0	64	\$11,520
S. Radis	Principal I	\$200.00	20	\$4,000	4	\$800	0	\$0	0	\$0	24	\$4,800
<b>Total Safety and Risk of Upset</b>			<b>76</b>	<b>\$14,080</b>	<b>12</b>	<b>\$2,240</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>88</b>	<b>\$16,320</b>
<b>C. Air Quality</b>												
G. Chittick	Senior Manager II	\$180.00	56	\$10,080	12	\$2,160	0	\$0	0	\$0	68	\$12,240
S. Radis	Principal I	\$200.00	18	\$3,600	8	\$1,600	0	\$0	0	\$0	26	\$5,200
<b>Total Air Quality</b>			<b>74</b>	<b>\$13,680</b>	<b>20</b>	<b>\$3,760</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>94</b>	<b>\$17,440</b>
<b>D. Soils/Geological Resources</b>												
P. Russell (SAIC)	Principal Investigator	\$176.00	24	\$4,224	6	\$1,056	0	\$0	0	\$0	30	\$5,280
<b>Total Geological Resources</b>			<b>24</b>	<b>\$4,224</b>	<b>6</b>	<b>\$1,056</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>30</b>	<b>\$5,280</b>
<b>E. Biological Resources</b>												
T. Mullen	Senior Biologist	\$190.00	20	\$3,800	8	\$1,520	8	\$1,520	0	\$0	36	\$6,840
<b>Total Biological Resources</b>			<b>20</b>	<b>\$3,800</b>	<b>8</b>	<b>\$1,520</b>	<b>8</b>	<b>\$1,520</b>	<b>0</b>	<b>\$0</b>	<b>36</b>	<b>\$6,840</b>

<b>F. Hydrology and Water Quality</b>												
P. Russell (SAIC)												\$3,564
J. Degner (SAIC)												\$1,584
<b>Total Water</b>												\$5,148
<b>G. Water and Wastewater</b>												
P. Russell (SAIC)												\$2,079
J. Degner (SAIC)												\$3,696
<b>Total Wastewater</b>												\$5,775
<b>H. Noise and Vibration</b>												
G. Chittick												\$6,480
S. Rogers (SRA)												\$26,180
<b>Total Noise</b>												\$32,660
<b>I. Transportation</b>												
G. Chittick												\$2,160
<b>Total Transportation</b>												\$2,160
<b>J. Land Use</b>												
L. Perez												\$4,800
D. Dusette												\$9,360
<b>Total Land Use</b>												\$14,160

<b>K. Recreational Resources</b>												
D. Dusette	Senior Planner	\$180.00	4	\$720	6	\$1,080	0	\$0	0	\$0	10	\$1,800
<b>Total Recreation</b>			4	\$720	6	\$1,080	0	\$0	0	\$0	10	\$1,800
<b>L. Cultural Resources</b>												
C. Hamilton (Applied Earthworks)	Project Manager	\$129.03	4	\$516	4	\$516	0	\$0	0	\$0	8	\$1,032
K. Warren (Applied Earthworks)	Archaeologist	\$79.53	16	\$1,272	4	\$318	0	\$0	0	\$0	20	\$1,591
<b>Total Cultural Resources</b>			20	\$1,789	8	\$834	0	\$0	0	\$0	28	\$2,623
<b>M. Public Services, Utilities, Solid Waste</b>												
D. Dusette	Senior Planner	\$180.00	8	\$1,440	2	\$360	0	\$0	0	\$0	10	\$1,800
<b>Total Public Services and Utilities</b>			8	\$1,440	2	\$360	0	\$0	0	\$0	10	\$1,800
<b>N. Fire Protection and Emergency Services</b>												
S. Radis	Principal	\$200.00	2	\$400	0	\$0	0	\$0	0	\$0	2	\$400
G. Chittick	Senior Engineer	\$180.00	16	\$2,880	4	\$720	0	\$0	0	\$0	20	\$3,600
<b>Total Fire Protection and Emergency Services</b>			18	\$3,280	4	\$720	0	\$0	0	\$0	22	\$4,000
<b>O. Energy and Mineral Resources</b>												
G. Chittick	Senior Engineer	\$180.00	6	\$1,080	4	\$720	0	\$0	0	\$0	10	\$1,800
<b>Total Energy and Mineral Resources</b>			6	\$1,080	4	\$720	0	\$0	0	\$0	10	\$1,800
<b>P. Visual Resources and Aesthetics</b>												
G. Chittick	Visualization Manager	\$180.00	16	\$2,880	4	\$720	0	\$0	0	\$0	20	\$3,600
<b>Total Visual Resources and Aesthetics</b>			16	\$2,880	4	\$720	0	\$0	0	\$0	20	\$3,600
<b>Q. Environmental Justice</b>												
D. Dusette	Senior Planner	\$180.00	2	\$360	2	\$360	0	\$0	0	\$0	4	\$720
<b>Total Environmental Justice</b>			2	\$360	2	\$360	0	\$0	0	\$0	4	\$720

