

Council Meeting of  
November 10, 2009

Honorable Mayor and Members  
of the City Council  
City Hall  
Torrance, California

Members of the Council:

**SUBJECT: City Manager – Consulting Contract with Enviro-Tox for environmental assessment at 465 Crenshaw Boulevard, Torrance  
Expenditure: Not to exceed \$10,000**

**RECOMMENDATION**

Recommendation of the City Manager that City Council approve a consulting contract with Enviro-Tox to perform a Phase I Environmental Site Assessment for the former PPG Industries, Inc. site at 465 Crenshaw Boulevard, Torrance.

Funding

Funding is available through the FEAP Capital Improvement Project 651.

**BACKGROUND/ANALYSIS**

The City is in the due diligence phase to purchase the property located at 465 Crenshaw Boulevard. The property is the location of the former PPG Industries, Inc. The property has been undergoing environmental clean-up under the Department of Toxic Substances direction. With properties that have been environmentally impaired, the federal superfund law, Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) provides a buyer with a qualified immunity from third party hazardous materials claims known as the “innocent landowner defense.” Qualifying for this defense would provide the City with an added layer of protection in addition to environmental insurance policy. If the City is able to establish the defense, then a third party claim could either be avoided up front or an additional defense provided if a claim is made under the policy.

To qualify for this defense under CERCLA, the EPA has issued an “All Appropriate Inquiry Rule” which sets out standards of pre-purchase inquiry that a purchaser must undertake. One of the ways to meet this standard is for the buyer to conduct a “phase 1 environmental site assessment” (ESA Phase 1) using the specific standards set forth in the EPA Rule. The EPA Rule also requires that the ESA Phase 1 be prepared and certified by a qualified environmental expert. Dr. Robles meets those qualifications, and the ESA Phase 1 will contain the EPA-required certification. [The other two requirements to qualify for the defense are that (i) the

To maintain the "innocent landowner defense" post-purchase, the EPA Rule requires the buyer to comply with "Continuing Obligations" which are the steps the City would be taking in any event such as:

- (a) provide all legally required notices in the event of a discovery of a hazardous materials spill or release,
- (b) exercise "appropriate care" with respect to any hazardous materials on the property to prevent/limit human exposure,
- (c) cooperate with and provide full access to authorized persons responding to a spill or release,
- (d) comply with land use restrictions (such as those that the DTSC will require as part of its "no further action" letter), and
- (e) comply with any EPA or other official information requests or subpoenas.

The contract is before Council for approval as Enviro-Tox has performed consulting services with respect to the purchase of the property in the total amount of \$64,840, excluding the current proposed contract, for the following services: \$39,840 for environmental consulting during the negotiation phase of property purchase, and \$25,000 for an independent Human Health Risk Assessment (HHRA) as a component of the due diligence is City is performing prior to closing of escrow on the property.

Respectfully submitted,

LeROY J. JACKSON  
CITY MANAGER

By Mary K. Giordano  
Mary K. Giordano  
Assistant City Manager

CONCUR:

  
LeRoy J. Jackson  
City Manager

MKG/dle  
Attachment: Proposed Contract

## CONSULTING SERVICES AGREEMENT

This CONSULTING SERVICES AGREEMENT (“Agreement”) is made and entered into as of November 10, 2009 (the “Effective Date”), by and between the CITY OF TORRANCE, a municipal corporation (“CITY”), and Enviro~Tox Services, Incorporated (“CONSULTANT”).

### RECITALS:

- A. CITY wishes to retain the services of an experienced and qualified CONSULTANT to conduct a Phase 1 Environmental Site Assessment for former PPG Industries, Inc. Site is located at 465 Crenshaw Boulevard in Torrance.
- B. CONSULTANT represents that it is qualified to perform those services.

### AGREEMENT:

#### 1. SERVICES TO BE PERFORMED BY CONSULTANT

CONSULTANT will provide the services listed in the Scope of Services attached as Exhibit A. CONSULTANT warrants that all work and services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

#### 2. TERM

Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date through December 15, 2009.

#### 3. COMPENSATION

- A. CONSULTANT’s Fee.

For services rendered pursuant to this Agreement, CONSULTANT will be paid in accordance with the Compensation Schedule attached as Exhibit B, provided, however, that in no event will the total amount of money paid the CONSULTANT, for services initially contemplated by this Agreement, exceed the sum of \$10,000 (“Agreement Sum”), unless otherwise first approved in writing by CITY.

- B. Schedule of Payment.

Provided that the CONSULTANT is not in default under the terms of this Agreement, upon presentation of an invoice, CONSULTANT will be paid monthly the fees described in Paragraph 3.A. above, according to the Compensation Schedule. Payment will be due within 30 days after the date of the monthly invoice.

#### 4. **TERMINATION OF AGREEMENT**

##### A. Termination by CITY for Convenience.

1. CITY may, at any time, terminate the Agreement for CITY's convenience and without cause.
2. Upon receipt of written notice from CITY of such termination for CITY's convenience, CONSULTANT will:
  - a. cease operations as directed by CITY in the notice;
  - b. take actions necessary, or that CITY may direct, for the protection and preservation of the work; and
  - c. except for work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.
3. In case of such termination for CITY's convenience, CONSULTANT will be entitled to receive payment for work executed; and costs incurred by reason of such termination, along with reasonable overhead and profit on the work not executed.

##### B. Termination for Cause.

1. If either party fails to perform any term, covenant or condition in this Agreement and that failure continues for 15 calendar days after the nondefaulting party gives the defaulting party written notice of the failure to perform, this Agreement may be terminated for cause; provided, however, that if during the notice period the defaulting party has promptly commenced and continues diligent efforts to remedy the default, the defaulting party will have such additional time as is reasonably necessary to remedy the default.
2. In the event this Agreement is terminated for cause by the default of the CONSULTANT, the CITY may, at the expense of the CONSULTANT and its surety, complete this Agreement or cause it to be completed. Any check or bond delivered to the CITY in connection with this Agreement, and the money payable thereon, will be forfeited to and remain the property of the CITY. All moneys due the CONSULTANT under the terms of this Agreement will be retained by the CITY, but the retention will not release the CONSULTANT and its surety from liability for the default. Under these circumstances, however, the CONSULTANT and its surety will be credited with the amount of money retained, toward any amount by which the cost of completion exceeds the Agreement Sum and any amount authorized for extra services.

3. Termination for cause will not affect or terminate any of the rights of the CITY as against the CONSULTANT or its surety then existing, or which may thereafter accrue because of the default; this provision is in addition to all other rights and remedies available to the CITY under law.

C. Termination for Breach of Law.

In the event the CONSULTANT or any of its officers, directors, shareholders, employees, agents, subsidiaries or affiliates is convicted (i) of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of a contract or subcontract; (ii) under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a public consultant or contractor; (iii) under state or federal antitrust statutes arising out of the submission of bids or proposals; or (iv) of violation of Paragraph 19 of this Agreement; or for any other cause the CITY determines to be so serious and compelling as to affect CONSULTANT's responsibility as a public consultant or contractor, including but not limited to, debarment by another governmental agency, then the CITY reserves the unilateral right to terminate this Agreement or to impose such other sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it deems proper. The CITY will not take action until CONSULTANT has been given notice and an opportunity to present evidence in mitigation.

5. **FORCE MAJEURE**

If any party fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental control, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, then that party's performance shall be excused for a period equal to the period of such cause for failure to perform.

6. **RETENTION OF FUNDS**

CONSULTANT authorizes CITY to deduct from any amount payable to CONSULTANT (whether or not arising out of this Agreement) any amounts the payment of which may be in dispute or that are necessary to compensate CITY for any losses, costs, liabilities, or damages suffered by CITY, and all amounts for which CITY may be liable to third parties, by reason of CONSULTANT's negligent acts or omissions or willful misconduct in performing or failing to perform CONSULTANT's obligations under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by CONSULTANT, or any indebtedness exists that appears to be the basis for a claim of lien, CITY may withhold from any payment due, without liability for interest because of the withholding, an amount sufficient to cover the claim. The failure of CITY to exercise the right to deduct or to withhold will not, however, affect the obligations of

CONSULTANT to insure, indemnify, and protect CITY as elsewhere provided in this Agreement.

7. **CITY REPRESENTATIVE**

Mary Giordano is designated as the “City Representative,” authorized to act in its behalf with respect to the work and services specified in this Agreement and to make all decisions in connection with this Agreement. Whenever approval, directions, or other actions are required by CITY under this Agreement, those actions will be taken by the City Representative, unless otherwise stated. The City Manager has the right to designate another City Representative at any time, by providing notice to CONSULTANT.

8. **CONSULTANT REPRESENTATIVE(S)**

The following principal(s) of CONSULTANT are designated as being the principal(s) and representative(s) of CONSULTANT authorized to act in its behalf with respect to the work specified in this Agreement and make all decisions in connection with this Agreement:

Heriberto Robles, Ph.D., D.A.B.T.

9. **INDEPENDENT CONTRACTOR**

The CONSULTANT is, and at all times will remain as to CITY, a wholly independent contractor. Neither CITY nor any of its agents will have control over the conduct of the CONSULTANT or any of the CONSULTANT’s employees, except as otherwise set forth in this Agreement. The CONSULTANT may not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

10. **BUSINESS LICENSE**

The CONSULTANT must obtain a City business license prior to the start of work under this Agreement, unless CONSULTANT is qualified for an exemption.

11. **OTHER LICENSES AND PERMITS**

CONSULTANT warrants that it has all professional, contracting and other permits and licenses required to undertake the work contemplated by this Agreement.

12. **FAMILIARITY WITH WORK**

By executing this Agreement, CONSULTANT warrants that CONSULTANT (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, CONSULTANT warrants that CONSULTANT has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services set forth in this Agreement. Should CONSULTANT discover any latent or unknown conditions that will materially affect the performance of the services set forth in this Agreement, CONSULTANT must immediately inform CITY of that fact and may not proceed except at CONSULTANT’s risk until written instructions are received from CITY.

**13. CARE OF WORK**

CONSULTANT must adopt reasonable methods during the term of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and other components to prevent losses or damages, and will be responsible for all damages, to persons or property, until acceptance of the work by CITY, except those losses or damages as may be caused by CITY's own negligence.

**14. CONSULTANT'S ACCOUNTING RECORDS; OTHER PROJECT RECORDS**

Records of the CONSULTANT's time pertaining to the project, and records of accounts between CITY and the CONSULTANT, will be kept on a generally recognized accounting basis. CONSULTANT will also maintain all other records, including without limitation specifications, drawings, progress reports and the like, relating to the project. All records will be available to CITY during normal working hours. CONSULTANT will maintain these records for three years after final payment.

**15. INDEMNIFICATION**

CONSULTANT will indemnify, defend, and hold harmless CITY, the Redevelopment Agency of the City of Torrance, the City Council, each member thereof, present and future, members of boards and commissions, its officers, agents, employees and volunteers from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of CONSULTANT, its officers, employees, agents, subcontractors or vendors. It is further agreed, CONSULTANT's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of CITY, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of CITY, its officers, employees or agents. Payment by CITY is not a condition precedent to enforcement of this indemnity. In the event of any dispute between CONSULTANT and CITY, as to whether liability arises from the sole negligence of the CITY or its officers, employees, agents, subcontractors or vendors, CONSULTANT will be obligated to pay for CITY's defense until such time as a final judgment has been entered adjudicating the CITY as solely negligent. CONSULTANT will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

**16. NON-LIABILITY OF CITY OFFICERS AND EMPLOYEES**

No officer or employee of CITY will be personally liable to CONSULTANT, in the event of any default or breach by the CITY or for any amount that may become due to CONSULTANT.

17. **INSURANCE**

- A. CONSULTANT must maintain at its sole expense the following insurance, which will be full coverage not subject to self insurance provisions:
1. Automobile Liability, including owned, non-owned and hired vehicles, with at least the following limits of liability:
    - a. Primary Bodily Injury with limits of at least \$500,000 per person, \$1,000,000 per occurrence; and
    - b. Primary Property Damage of at least \$250,000 per occurrence; or
    - c. Combined single limits of \$1,000,000 per occurrence.
  2. General Liability including coverage for premises, products and completed operations, independent contractors/vendors, personal injury and contractual obligations with combined single limits of coverage of at least \$1,000,000 per occurrence.
  3. Professional liability insurance with limits of at least \$1,000,000 per occurrence.
  4. Workers' Compensation with limits as required by the State of California and Employers Liability with limits of at least \$1,000,000.
- B. The insurance provided by CONSULTANT will be primary and non-contributory.
- C. CITY ("City of Torrance"), the Redevelopment Agency of the City of Torrance, the City Council and each member thereof, members of boards and commissions, every officer, agent, official, employee and volunteer must be named as additional insured under the automobile and general liability policies.
- D. CONSULTANT must provide certificates of insurance and/or endorsements to the City Clerk of the City of Torrance before the commencement of work.
- E. Each insurance policy required by this Paragraph must contain a provision that no termination, cancellation or change of coverage can be made without thirty days notice to CITY.

18. **SUFFICIENCY OF INSURERS AND SURETIES**

Insurance or bonds required by this Agreement will be satisfactory only if issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are waived by the Risk Manager of CITY ("Risk Manager") due to unique circumstances. In the event the Risk Manager determines that the work or services to be performed under this Agreement creates an increased or

decreased risk of loss to CITY, the CONSULTANT agrees that the minimum limits of any insurance policies or performance bonds required by this Agreement may be changed accordingly upon receipt of written notice from the Risk Manager; provided that CONSULTANT will have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of CITY within 10 days of receipt of notice from the Risk Manager.

**19. CONFLICT OF INTEREST**

- A. No officer or employee of the CITY may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any decision relating to the Agreement that effects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.
- B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

**20. NOTICE**

- A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:
1. Personal delivery. When personally delivered to the recipient: notice is effective on delivery.
  2. First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in an United States Postal Service office or mailbox.
  3. Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.
  4. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.
  5. Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt.

Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

6. Addresses for purpose of giving notice are as follows:

CONSULTANT: Enviro~Tox Services, Inc.  
Heriberto Robles, Ph.D., D.A.B.T.  
20 Corporate Park, Suite 200  
Irvine, CA 92606  
Fax: 949-387-0900

CITY: City Clerk  
City of Torrance  
3031 Torrance Boulevard  
Torrance, CA 90509-2970  
Fax: (310) 618-2931

B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.

C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

**21. PROHIBITION AGAINST ASSIGNMENT AND SUBCONTRACTING**

This Agreement and all exhibits are binding on the heirs, successors, and assigns of the parties. The Agreement may not be assigned or subcontracted by either CITY or CONSULTANT without the prior written consent of the other.

**22. INTEGRATION; AMENDMENT**

This Agreement represents the entire understanding of CITY and CONSULTANT as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.

**23. INTERPRETATION**

The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

**24. SEVERABILITY**

If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.

25. **TIME OF ESSENCE**

Time is of the essence in the performance of this Agreement.

26. **GOVERNING LAW; JURISDICTION**

This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

27. **COMPLIANCE WITH STATUTES AND REGULATIONS**

CONSULTANT will be knowledgeable of and will comply with all applicable federal, state, county and city statutes, rules, regulations, ordinances and orders.

28. **WAIVER OF BREACH**

No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement.

29. **ATTORNEY'S FEES**

Except as provided for in Paragraph 15, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.

30. **EXHIBITS**

All exhibits identified in this Agreement are incorporated into the Agreement by this reference.

31. **CONSULTANT'S AUTHORITY TO EXECUTE**

The person(s) executing this Agreement on behalf of the CONSULTANT warrant that (i) the CONSULTANT is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the CONSULTANT; (iii) by so executing this Agreement, the CONSULTANT is formally bound to the provisions of this Agreement;

and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the CONSULTANT is bound.

CITY OF TORRANCE,  
a Municipal Corporation

Enviro~Tox Services  
Incorporated

\_\_\_\_\_  
LeRoy J. Jackson, City Manager

By: \_\_\_\_\_  
Heriberto Robles, Ph.D., D.A.B.T.  
President

APPROVED AS TO FORM:

JOHN L. FELLOWS III  
City Attorney

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

Attachments:      Exhibit A      Scope of Services  
                         Exhibit B      Compensation Schedule

Revised:      10/29/2008

**EXHIBIT A****SCOPE OF SERVICES**

Proposal to perform a Phase I Environmental Site Assessment (ESA) for the former PPG Industries, Inc. site located at 465 Crenshaw Boulevard in Torrance, California.

Enviro-Tox Services, Inc (ETSI) has identified the following requirements:

- Document the research the City has reviewed about the property's environmental conditions;
- Document known presence (or absence) of man-made contamination at the site;
- Document the known presence (or absence) of environmental liabilities for the site;
- Assess whether the site, under current conditions, poses a potential threat of hazardous materials or hazardous waste releases, or threatened releases;
- Document the City's knowledge of the site's history and operations;
- Provide a description of progression of investigation and remediation activities conducted at the site;
- Assess the potential for regulatory action from California and federal environmental and health protection agencies; and,
- Identify data gaps.

To satisfy these requirements, ETSI proposes to conduct an ESA for the referenced site. The purpose of the ESA will be to review past and present land use practices, historical site operations and conditions, and nearby offsite land uses to evaluate the potential for environmental impairment at the site. The proposed assessment will be accomplished by, and limited to, a site reconnaissance and a review of ascertainable documentation available through ETSI's standard resources regarding past and current land use for indications of the manufacture, generation, use, storage, and/or disposal of hazardous substances at the site.

The proposed scope of services (Attachment I) generally complies with the American Society of Testing and Materials (ASTM) E-1527-05 (*Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*) guidelines. It is anticipated that a draft ESA report will be submitted to the City for review. Comments and recommendations received on the draft document from the City will be incorporated into a final ESA report. For costing purposes, it is assumed that comments provided by the City will be minimal.

**ATTACHMENT I****ENVIRONMENTAL SITE ASSESSMENTS**

Enviro-Tox Services, Inc. (ETSI) Environmental Site Assessments (ESAs) will be conducted in general accordance with the ASTM (E 1527-05) Phase I Environmental Site Assessment Statement of Work. The scope of services contained in this guideline includes the review of reasonably ascertainable information from the following sources:

- Historical Data;
- Geological & Hydrogeological Data;
- Inquiries;
- Environmental Regulatory Lists;
- Site Reconnaissance and Vicinity Survey.

The scope of services associated with each of these data review tasks is described in the following subsections.

**HISTORICAL DATA**

To obtain information regarding past operations and environmental conditions, ETSI will review reasonably ascertainable data from commonly used resources, such as:

- Aerial Photographs;
- Topographic Maps;
- Sanborn Fire Insurance Maps;
- Munger Map Book of Oil & Gas Wells; and
- City Files.

ETSI will also review historical data provided by the client, such as site maps, tenant lists, chain-of title documentation, soils reports and other available documentation.

The historical data will be reviewed to identify previous uses of the subject property since at least 1940 or undeveloped land, including the nature of business or operations on the property. The historical data will also be reviewed for evidence of abnormally disturbed topography, soil staining, disposal of hazardous material, debris or construction materials, topographic features which indicate extensive use of non-native fill, underground or aboveground storage tanks, or other visual evidence of potential impairment.

**GEOLOGICAL & HYDROGEOLOGICAL DATA**

ETSI will review reasonably ascertainable information regarding the subject property soils, geology, and hydrogeology. From this information, ETSI will attempt to describe the following:

- Significant physiographic features (ridges, streams, valleys, etc.).
- Geological characteristics as they relate to the susceptibility of groundwater to contamination (rock types, impermeable layers, significant aquifers, and/or aquitards, etc.).
- Groundwater characteristics (depth, direction, and gradient of flow, quality, etc.).

## **SITE RECONNAISSANCE AND VICINITY SURVEY**

To observe and document the current site conditions and the nature of neighboring property development, ETSI will conduct a reconnaissance of the subject property and, to the extent that it is accessible, a "drive-by" survey of the vicinity. Representative photographs will be taken of the site and environmentally sensitive areas. In addition, ETSI will review available onsite documentation. Such documents may include title and deed searches, building records, permits and hazardous waste manifests, and Material Safety Data Sheets.

It shall be the responsibility of the client to obtain permission to enter the site prior to our visit. In conducting the site reconnaissance and vicinity survey, ETSI will attempt to observe the following:

- Existing operations and environmental conditions relating to hazardous material use, storage, and disposal.
- Current waste discharge practices and disposal pathways (e.g., sumps, floor drains, etc.).
- Evidence of:
  - Stressed vegetation.
  - Soil staining.
  - Abnormal odors.
  - Potentially contaminated surface water discharges and/or stormwater.
  - Liquid or solid waste dumping and/or disposal.
  - Discolored flowing or ponded water.
  - Onsite water supply, monitoring, oil, gas, and/or disposal wells.
  - Cisterns, septic tanks, pits, sumps, drywells, and/or catch basins.
  - Electrical transformers or large capacitors on the subject property.
  - Underground and aboveground storage tanks.
  - Dumping of hazardous material, debris or construction materials, and topographic features which indicate extensive use of nonnative fill on the subject property.
- Activities on adjacent properties, to the extent practical, which may use, generate, and/or store hazardous substances/wastes. These observations will be limited to fence-line and drive-by surveys, as ETSI will not physically enter adjacent properties.

## **INQUIRIES**

ETSI will contact local or state agencies and review reasonably ascertainable general public records to obtain information regarding the subject property. Information sought from these agencies may include:

- Health-related environmental issues that the agencies are aware of which may exist on the subject property.
- Records of underground storage tanks.
- Environmental incidents or violations documented by the agencies.
- Information regarding gas, water, sewer, and electric utilities.
- Permits and use records for chemicals.

ETSI will attempt to interview parties who are identified as having knowledge of past and present site activities (e.g., former or current property owners, employees, onsite managers, occupants, etc.).

The areas of potential inquiry may include:

- Source of water used at the subject property and surrounding area.
- Sewage disposal methods at the subject property.
- Knowledge of environmental permits, incidents, violation notices, or environmental litigation.
- Past or present use, storage, handling, or disposal of hazardous substances including petroleum, pesticides, PCBs, and other hazardous substances.
- Waste generation, handling, storage, and disposal methods.

### **ENVIRONMENTAL REGULATORY LISTS**

To acquire information from federal and state environmental regulatory agencies, ETSI will obtain a report from an environmental information service. The report will provide information regarding sites identified by the agencies as having environmental concerns, compliance enforcement actions, investigations involving hazardous material and/or wastes, or underground storage tanks which are registered and/or leaking. The database information will be reviewed for the ASTM indicated survey distances.

### **DATA ANALYSIS AND REPORTING**

Data obtained during the Phase I ESA will be evaluated by ETSI to assess the potential for environmental impairment at the subject property. The results of this evaluation will be presented in a written report, which will include the following:

- Executive Summary;
- The scope of services provided;
- A description of the subject property and surrounding area;
- The site history;
- A summary of information obtained from governmental records;
- A discussion of environmental issues;
- Conclusions and recommendations based on the data collected; and
- Appendices (photographs, permits, analytical results, databases searched, etc.)

### **EXCLUSIONS**

The Phase I ESA will specifically exclude sampling and analysis of soil, groundwater, air, and/or other materials at the subject property (e.g. naturally occurring radioactive materials, lead-based paint, asbestos, and lead in drinking water). Neither will the Phase I ESA include field surveys for archeological, wetlands, and/or biological resources, or an environmental compliance audit.

**EXHIBIT B****COMPENSATION SCHEDULE**

The ESA will be prepared on a time-and-materials basis. The estimated cost for preparing the ESA report is \$8,960, not to exceed \$10,000. This is equivalent to 56 hours of my time at a billing rate of \$160.00 per hour. Non-labor expenses and materials such as production of graphics, document reproduction, communications, transportation, and incidental expenses will be billed at cost, plus the standard administrative fee. Any changes from the estimated times and costs will be cleared with the City of Torrance prior to implementation. Costs for meetings with the City of Torrance, regulatory agencies and/or third parties are not included in the cost estimate and will be billed on an hourly basis.

ETSI is prepared to begin this scope of services upon receipt of written authorization to proceed from The City of Torrance. We expect to complete the report no later than November 18, 2009. During the course of our study, we will apprise you of findings that could indicate the need for further investigation.

**TERMS AND CONDITIONS**

Services performed by ETSI will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the same profession currently practicing in the same locality under similar conditions. It is important to recognize that even the most comprehensive scope of services may fail to detect environmental liabilities on a particular site. Therefore, ETSI cannot act as insurers and cannot "certify" that a site is free of environmental contamination. No expressed or implied representation or warranty is included or intended in our reports, except that our services were performed, within the limits prescribed by our client, with the customary thoroughness and competence of our profession.