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Alameda Corridor Transportation Authority

June 11, 2020

To:	Governing Board
From:	Michael Leue, Chief Executive Officer 
Subject:	<i>Authorize Issuance of a Task Order for Services Related to the Crimson Pipeline Post-Settlement Work under Agreement No. C0885 with RailWorks Track Services, Inc.</i>

Recommendation:

Authorize staff to issue a task order for services related to the Crimson Pipeline, LLC Post-Settlement work in the amount of \$100,000 under Alameda Corridor Maintenance Agreement No. C0885 with RailWorks Track Services, Inc. (RailWorks) and authorize the Chief Executive Officer or Chief Financial Officer to execute said task order.

Discussion:

In 2010, an oil release was discovered on Port of Los Angeles and Port of Long Beach jointly owned property, that is maintained by ACTA. This oil release was referred to by various names, but is known legally as the Crimson Pipeline Youngstown Lateral Spill. It involved the release of crude oil into a French drain system located within the Texaco Slot area. The source of the oil release was found and removed and a storm water containment and treatment system was established to contain any oil that remains from the initial release.

In September 2015, a Settlement Agreement (Agreement) was reached with all involved parties, including the City of Los Angeles, City of Long Beach, ACTA, various Crimson Pipeline related entities (Crimson) and the Indian Harbor Insurance Company. A portion of the Agreement specifies Crimson's responsibilities regarding work related to the oil release performed after the settlement. Any required assistance from the City of Los Angeles, City of Long Beach, or ACTA is to be fully reimbursed to the parties by Crimson.

Crimson has work that is scheduled to be completed in the next three months. A Joint Revocable Permit with the Port of Los Angeles and the Port of Long Beach will need to be executed in order to allow for this particular work to take place. The work involves the drilling of borings by Crimson's contractor. It is possible that some or all ACTA tracks may be shut down while Crimson's contractor is drilling the borings.

RailWorks will be providing certain services in order for the work to safely take place, as per the terms of the Agreement. In order for RailWorks to be able to provide the services, a task



order must be issued. This task order will be issued to cover the costs of this work and any future services that are requested. RailWorks will submit bills to ACTA on a time and materials basis, according to the terms of their contract with ACTA. ACTA will invoice Crimson for all charges. ACTA will request that RailWorks submit costs incurred in connection with this work separately and in advance of the normal sequence of the RailWorks' invoicing cycle. This will help to provide more timely invoicing and payment by Crimson. Per the terms of the Agreement, Crimson is obligated to reimburse ACTA for all invoiced costs within 60 days.

The \$100,000 request will cover the cost of the upcoming work and includes funds to cover services over the next several years as part of the Agreement.

Budget Impact:

There is no net impact to the FY21 Program Budget. These are pass-through costs that ACTA is initially required to pay, but which are subsequently fully reimbursed by Crimson Pipeline, LLC, per the terms of the Settlement Agreement. ACTA utilizes the Local Agency Investment Fund (LAIF) account to pay for the services and reimburses the account when payment is received.

Co-General Counsel:

ACTA's Co-General Counsel has reviewed this Board Report and there are no legal issues at this time.