



AGENDA REPORT

Meeting Date: February 15, 2011
Item Number: F-11
To: Honorable Mayor & City Council
From: Steven Zoet, Director of Community Services *sz*
Subject: APPROVAL OF AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND CHERYL BAYER BRADY D.B.A CREATIVE SPACE LLC FOR CHILDREN'S CRAFT AND MUSIC INSTRUCTION AND SUMMER CAMP AT A BEVERLY HILLS UNIFIED SCHOOL THROUGH THE DEPARTMENT OF COMMUNITY SERVICES

APPROPRIATION OF FUNDS IN THE AMOUNT OF \$135,000 AND APPROVAL OF A CHANGE ORDER TO AN EXISTING BLANKET PURCHASE ORDER NOT TO EXCEED \$400,000 FOR PAYMENT TO VENDOR FOR SUMMER CAMP REGISTRATION AND SERVICES.

Attachments: 1. Agreement

RECOMMENDATION

Staff recommends that City Council move to appropriate funds in the amount of \$135,000 from anticipated reserves and approve Amendment No. 1 to the Agreement between the City of Beverly Hills and Cheryl Bayer Brady, D.B.A Creative Space LLC. The amendment provides a one year agreement for vendor to provide instruction for children's activities and summer camp services through the Community Services Department and a change order in the amount of \$135,000 for a not to exceed total of \$400,000 for the services described above.

INTRODUCTION

Cheryl Bayer Brady, D.B.A. Creative Space LLC, has provided art and music instruction for the City for the past several years. For the past two years, Creative Space has provided the City's most well attended and successful summer camp for children ages 3-15 years of age. Approximately 365 children attended the Camp last summer generating over \$111, 000 of revenue for the City once all payments to the vendor were

complete. Even during challenging economic times, Creative Space was able to increase participation in their camp by 8% over the previous summer.

DISCUSSION

Creative Space continues to provide quality services that are recognized by parents who appreciate the unique opportunities their child experiences through participation in their summer camp. The camp takes a great deal of staff preparation hours and start-up supply costs. This extra expense has caused Creative Space to request access to their portion of Camp revenues, which are collected by the City, prior to the start of camp to help offset their incurred expenses. In discussion with the City's Finance Division, it was agreed that the terms of their agreement could be modified to reflect a monthly payment of 80% of the revenues collected prior to the start of camp.

Since registration for the 2011 summer camp begins in early March, an appropriation of funds in the amount of \$135,000 will cover obligations to Creative Space through the end of the current fiscal year. These funds will be available and on deposit through the revenues being generated by the registration process. This will alleviate the challenges we faced in the current agreement which stipulated payments in June and July. These dates conflicted with the closure and opening of the City's fiscal year calendar and also did not address the cash flow concerns of Creative Space given their higher than normal start up expenses.

To avoid the issue again this year, dialogue with the Finance Division created better terms to the new agreement that are mutually satisfying to both parties. As camp registration is soon to begin, monthly payments to Creative Space will follow submission dates and guidelines of the Finance Division as well as meet the needs of the vendor.

The City collects 100% of all revenues generated through contractual services. Creative Space will be paid eighty percent (80%) of the revenue based on the resident rate. As with all vendors, the City retains the twenty-five percent (25%) higher difference non-residents pay for all Department program offerings.

FISCAL IMPACT

Funds are not budgeted, but are offset through this revenue based program. Payments will only be made against funds on deposit and the vendor will never be paid an advance against uncollected or anticipated revenues. The City will pay the vendor the rate of eighty percent (80%) of an amount to be based on the City resident rate multiplied by the number of registrants. Due to their overwhelming success, the scope of services in their agreement is slightly different than other summer camp vendors as they are incentivized and have an opportunity to retain an eighty percent (80%) revenue share if two hundred (200) participants are registered by the end of July. Such an arrangement is beneficial to both parties and helps insure their assistance in the marketing and success of their services.



Noel Marquis
Finance Approval



Steven Zoet
Approved By

Attachment 1

AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE
CITY OF BEVERLY HILLS AND CHERYL BAYER BRADY
D.B.A. CREATIVE SPACE, LLC, FOR CHILDREN'S CRAFT
AND MUSIC INSTRUCTION AND SUMMER CAMP AT A
BEVERLY HILLS UNIFIED SCHOOL THROUGH THE
DEPARTMENT OF COMMUNITY SERVICES

NAME OF VENDOR: Cheryl Bayer Brady d.b.a. Creative
Space, LLC

VENDOR'S ADDRESS: 11916 W. Pico Boulevard
Los Angeles, California 90064

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: Steve Zoet
Director of Community Services

COMMENCEMENT DATE: June 18, 2010

TERMINATION DATE: June 30, 2012

CONSIDERATION: Fiscal Year 2010-2011 not to exceed
\$400,000 at the rate of 70% of the
registration fees (up to 200 registrants)
described in Section 3a; 80% of registration
fees (201 and above registrants) as further
described in Section 3b

Fiscal year 2011-2012 not to exceed
\$400,000 at the rate of 70% of the
registration fees (up to 200 registrants); 80%
of the registration fees (201 and above
registrants) as further described in Section
3c

AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE
CITY OF BEVERLY HILLS AND CHERYL BAYER BRADY
D.B.A. CREATIVE SPACE, LLC, FOR CHILDREN'S CRAFT
AND MUSIC INSTRUCTION AND SUMMER CAMP AT A
BEVERLY HILLS UNIFIED SCHOOL THROUGH THE
DEPARTMENT OF COMMUNITY SERVICES

This Amendment No. 1 is to that Agreement between the City of Beverly Hills, a municipal corporation ("CITY") and Cheryl Bayer Brady d.b.a. Creative Space, LLC (hereinafter called "VENDOR") dated June 3, 2010 and identified as Contract No. 214-10 ("Agreement").

RECITALS

A. CITY entered into an agreement with VENDOR for children's craft and music instruction and summer camp on June 3, 2010.

B. CITY now desires to modify the Agreement to extend the Termination Date, modify the insurance provisions of the Agreement and increase the Consideration for the additional services.

NOW, THEREFORE, the parties agree as follows:

Section 1. The Termination Date shall be amended as set forth above.

Section 2. The Consideration shall be modified as set forth above.

Section 3. Section 3 of the Agreement entitled "Compensation" shall be amended as follows:

"Section 3. Compensation

(a) After school classes. CITY shall pay VENDOR at the rate of seventy percent (70%) of an amount to be based on the CITY resident rate multiplied by the number of registrants of the after-school classes provided by VENDOR for CITY under this Agreement. CITY shall make two payments to VENDOR upon receipt of an itemized statement on a form acceptable to CITY for VENDOR's services performed. The first payment shall be made midway through each session and the second payment shall be made at the end of each session. CITY shall pay VENDOR the amount of such undisputed billing within thirty (30) days of receipt of same.

(b) Summer Camp 2010.

1) If there are under 200 registrants at the conclusion of VENDOR's 2010 summer camp programs in CITY, CITY shall pay VENDOR at the rate of seventy percent (70%) of an amount to be based on the CITY resident rate multiplied by the number of registrants of the

summer camp provided by VENDOR for CITY under this Agreement. If there are 200 or more registrants at the conclusion of VENDOR's 2010 summer camp programs in CITY, CITY shall pay VENDOR eighty percent (80%) of an amount to be based on the CITY resident rate multiplied by the number of registrants of the summer camp. CITY shall make up to four payments to VENDOR upon receipt of an itemized statement on a form acceptable to CITY for VENDOR's services performed. CITY shall pay VENDOR the amount of such undisputed billing within thirty (30) days of receipt of same. Two payments in the amount of \$85,000 each shall be made if VENDOR summer camp program revenues ("program revenues") are more than \$121,428 for the June 14, 2010 payment, and more than \$242,856 for the July 5, 2010 payment.

2) If program revenues are less than \$121,428 for each of those payments, CITY shall make two payments to VENDOR in the amount of 70% of the City resident rate program revenues. Program revenues are determined as of May 17, 2010 for the first June 14, 2010 payment, and June 21, 2010 for the second July 5, 2010 payment. CITY shall pay VENDOR a third payment for registrations received after June 21, 2010 through July 26, 2010 on August 6, 2010. CITY shall pay VENDOR the balance owed if additional registrations are received after July 26, 2010.

(c) Summer Camp 2011

CITY shall pay VENDOR monthly at the rate of eighty percent (80%) of an amount to be based on the CITY 2011 Program resident rate multiplied by the number of registrants of the 2011 Program. If by July 29, 2011 the number of registrants enrolled in the 2011 Program is less than 200, CITY shall adjust payment on VENDOR's final invoice so that CITY shall pay VENDOR seventy percent (70%) of an amount to be based on the CITY resident rate multiplied by the number of registrants of the 2011 Program. CITY shall pay VENDOR the amount of such undisputed billing within thirty (30) days of receipt of same."

Section 4. Subsection (a) of Section 9 entitled "Insurance" shall be amended as follows:

"Section 9. Insurance.

(a). VENDOR shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive General Liability Insurance, with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by VENDOR.

(b). VENDOR shall require, at all times during the term of this Agreement, the transportation service it hires to perform services under this Agreement to carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive Vehicle Liability insurance covering personal injury and property damage, with minimum limits of Five Millions Dollars (\$5,000,000) per occurrence combined single limit, covering any vehicle utilized by VENDOR in performing the services required by this Agreement."

Section 5. Except as specifically amended by this Amendment No. 1, the Agreement dated June 3, 2010 and identified as Contract No. 214-10 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the _____ day of _____, 20 ____, at Beverly Hills, California.

CITY OF BEVERLY HILLS
A Municipal Corporation

JIMMY DELSHAD
Mayor of the City of
Beverly Hills, California

ATTEST:

(SEAL)
BYRON POPE
City Clerk

VENDOR: CHERYL BAYER BRADY
D.B.A. CREATIVE SPACE, LLC

CHERYL BAYER BRADY
Owner

APPROVED AS TO FORM:

LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

JEFFREY KOLIN
City Manager

STEVE ZOET
Director of Community Services

NOEL MARQUIS
Assistant Director of Administrative
Services/Finance

KARL KIRKMAN
Risk Manager