



## AGENDA REPORT

**Meeting Date:** May 17, 2011

**Item Number:** F-13

**To:** Honorable Mayor & City Council

**From:** Scott Miller, Director of Administrative Services and CFO  
Noel Marquis, Assistant Director of Administrative Services - Finance

**Subject:** **APPROVALS RELATED TO VARIOUS CITY PURCHASING AND BUDGET TRANSACTIONS AS DESCRIBED HEREIN**

**Attachments:** 1.) Agreements (2)

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**Item A. AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND STEGEMAN & KASTNER, INC. FOR CONSULTING SERVICES RELATED REFURBISHMENT AND TENANT IMPROVEMENTS FOR THE CHAMBER OF COMMERCE BUILDING LOCATED AT 239 SOUTH BEVERLY DRIVE; AND**

**APPROVAL OF A PURCHASE ORDER TO STEGEMAN & KASTNER, INC IN AN AMOUNT NOT TO EXCEED \$130,850**

### **RECOMMENDATION**

It is recommended that the City Council approve an agreement with Stegeman & Kastner, Inc. for consulting services related to refurbishment and tenant improvements within the 239 S. Beverly Drive Building and approve the purchase order in an amount not to exceed \$130,850.

### **INTRODUCTION**

The City purchased the 239 S. Beverly Drive building, formerly owned by the Chamber of Commerce in December of 2010. The Chamber and CVB currently occupy the first floor of the building together. This agreement provides for consulting services for the oversight, coordination and management of the refurbishment and tenant improvement projects on behalf of the City. The final scope of work will include substantial base building improvements. These improvements were anticipated with the purchase of the building and recommended by the Ad Hoc Committee for funding. Based on the Ad Hoc Committee recommendation and direction received from City

Council during the purchase, staff included the refurbishment costs in the overall funding to purchase the building. The improvements will allow the building to be leased and generate revenue until such time that City Council authorizes the construction of a parking structure. This agreement is for an amount not to exceed \$130,850.

### **DISCUSSION**

Stegeman & Kastner will assist Staff to coordinate, oversee and manage the base building repairs and replacements as required. The agreement also provides for consulting services for potential tenants with the tenant's specific space requirements and the tenant improvement construction process from design to occupancy. This agreement is an exception to the public bid requirement because it is a contract for professional services.

### **FISCAL IMPACT**

This one-time cost of \$130,850 is budgeted and will be funded from the 239 S. Beverly Drive capital improvement project budget.

**Item B.           AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND STEGEMAN AND KASTNER, INC. FOR CONSULTING SERVICES RELATED TO TENANT IMPROVEMENTS AT 9400 SOUTH SANTA MONICA BOULEVARD; AND**

**APPROVAL OF A PURCHASE ORDER TO STEGEMAN & KASTNER, INC IN AN AMOUNT NOT TO EXCEED \$98,000**

### **RECOMMENDATION**

It is recommended that the City Council approve an agreement with Stegeman & Kastner, Inc. for consulting services related to tenant improvements within the 9400 South Santa Monica Boulevard Building and approve a purchase order in an amount not exceed \$98,000.

### **INTRODUCTION**

The 9400 South Santa Monica building is currently under construction with completion anticipated in July, 2012. This agreement provides for consulting services related to tenant improvements within the building in the not to exceed amount of \$98,000.

### **DISCUSSION**

Stegeman & Kastner will assist Staff and potential tenants with the tenant's specific space requirements and the tenant improvement construction process from design to occupancy. This agreement is an exception to the public bid requirement because it is a contract for professional services.

### **FISCAL IMPACT**

A one-time cost of \$98,000 is budgeted and will be funded from the 9400 Santa Monica capital improvement project budget.

**Item C. APPROVAL OF A CHANGE ORDER TO THE PURCHASE ORDER IN THE AMOUNT OF \$102,000 FOR THE DAVIS COMPANY FOR CLASSIFICATION AND COMPENSATION STUDIES FOR A TOTAL NOT TO EXCEED \$230,000**

**RECOMMENDATION**

Staff recommends that the City Council approve the change order of \$102,000 to the purchase order with the Davis Company for classification and compensation studies for a total not to exceed amount of \$230,000 for Fiscal Year 2010-11.

**INTRODUCTION**

Eight of the City's nine labor agreements require a third party to perform Total Compensation studies to set salary rates for City positions. The Davis Company has provided classification and compensation services by performing various studies as necessary. The original contract with the Davis Company was entered into in 2005 for the design and implementation of employee performance standards, in 2006, the second amendment expanded the scope of work to include classification and compensation tasks. This is the fourth amendment.

During the Fiscal Year 2010-11, the City is required to undertake, per labor contracts, compensation studies for Police and Fire personnel that the Davis Company will perform. The data from these studies will be used during the negotiations with the Police Officers Association, Firemen's Association, and the Police Management Association. The Davis Company may be called upon to verify and/or perform other classification and compensation studies on an as needed basis for other labor associations.

**DISCUSSION**

The Davis Company has the skills, knowledge and ability to provide professional classification and compensation studies. The cost of these services is a not to exceed amount of \$230,000 for FY 2010-11.

**FISCAL IMPACT**

Funds have been budgeted and are available in the Labor Relations budget unit for this purpose.

**Item D. APPROVAL OF A CHANGE ORDER IN THE AMOUNT OF \$50,000 TO THE PURCHASE ORDER TO LIEBERT CASSIDY WHITMORE FOR A TOTAL NOT TO EXCEED \$172,100**

**RECOMMENDATION**

Staff recommends that the City Council approve the change order in the amount of \$50,000 to the purchase order with Liebert Cassidy Whitmore for specialized labor relations legal services in a total not to exceed amount of \$172,000.00 for Fiscal Year 2010-11.

**INTRODUCTION**

The Human Resources (HR) Division of Administrative Services requires legal counsel in the area of labor relations. Liebert Cassidy Whitmore has provided legal services for Human Resources and is familiar with the City's nine labor agreements and has specialized expertise in labor relations. It also has the legal expertise necessary for upcoming negotiations and other labor related issues. During the current fiscal year, Human Resources will be engaged in labor negotiations with all other associations with regards to salary surveys. In addition, labor negotiations will commence with the Police Officers Association, the Firemen's Association and the Police Management Association. As result, Human Resources Division will need legal advice and services related to compensation and other labor related issues.

**DISCUSSION**

Liebert Casisdy Whitmore has the specialized expertise to provide the necessary services. The cost of these services is a not to exceed amount of \$172,000 for FY 2010-11.

**FISCAL IMPACT**

Funds are budgeted in Labor Relations account for this purpose.



Noel Marquis  
Finance Approval



Scott G. Miller  
Approved By

# **Attachment 1**

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND  
STEGEMAN & KASTNER, INC. FOR CONSULTING SERVICES  
RELATED REFURBISHMENT AND TENANT IMPROVEMENTS  
FOR THE CHAMBER OF COMMERCE BUILDING LOCATED  
AT 239 SOUTH BEVERLY DRIVE

NAME OF CONSULTANT : Stegeman and Kastner, Inc.

RESPONSIBLE PRINCIPAL  
OF CONSULTANT: Fritz Kastner, Chief Executive Officer

CONSULTANT 'S ADDRESS: 2601 Ocean Park Blvd., Suite 300  
Santa Monica, CA 90405  
Attention: Fritz Kastner, Chief Executive Officer

CITY'S ADDRESS: City of Beverly Hills  
455 N. Rexford Drive  
Beverly Hills, CA 90210  
Attention: Brenda Lavender  
Real Estate & Property Manager

COMMENCEMENT DATE: Upon execution of the Agreement

TERMINATION DATE: June 30, 2012

CONSIDERATION: Professional fees not-to-exceed \$127,850,  
based on the hourly rates set forth in Exhibit B;  
Reimbursable expenses not-to-exceed \$3,000;  
Total not to exceed \$130,850

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND  
STEGEMAN & KASTNER, INC. FOR CONSULTING SERVICES  
RELATED REFURBISHMENT AND TENANT IMPROVEMENTS  
FOR THE CHAMBER OF COMMERCE BUILDING LOCATED  
AT 239 SOUTH BEVERLY DRIVE

THIS AGREEMENT is made by and between the City of Beverly Hills (hereinafter called "CITY"), and Stegeman and Kastner, Inc. (hereinafter called "CONSULTANT").

RECITALS

A. CITY desires to have certain services and/or goods provided as set forth in Exhibit A (the "Scope of Work"), attached hereto and incorporated herein.

B. CONSULTANT represents that it is qualified and able to perform the Scope of Works.

NOW, THEREFORE, the parties agree as follows:

Section 1. CONSULTANT's Scope of Work. CONSULTANT shall perform the Scope of Work described in Exhibit A in a manner satisfactory to CITY and consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. City shall have the right to order, in writing, changes in the Scope of Work. Any changes in the Scope of Work by CONSULTANT must be made in writing and approved by both parties. The cost of any change in the Scope of Work must be agreed to by both parties in writing.

Section 2. Time of Performance.

CONSULTANT shall commence its services under this Agreement upon receipt of a written notice to proceed from CITY. CONSULTANT shall complete the performance of services by the Termination Date set forth above and/or in conformance with the project timeline established by the City Manager or his designee.

The City Manager or his designee may extend the time of performance in writing for two additional one-year terms or such other term not to exceed two years from the date of termination pursuant to the same terms and conditions of this Agreement.

Section 3. Compensation.

(a) Compensation

CITY agrees to compensate CONSULTANT for the services and/or goods provides under this Agreement, and CONSULTANT agrees to accept in full satisfaction for such services, a sum not to exceed the Consideration set forth above and more particularly described in Exhibit B, attached hereto and incorporated herein.

(b) Expenses

CONSULTANT shall be entitled to reimbursement only for those expenses expressly set forth in Exhibit B. Any expenses incurred by CONSULTANT which are not expressly authorized by this Agreement will not be reimbursed by CITY.

(c) Additional Services. City may from time to time require CONSULTANT to perform additional services not included in the Scope of Services. Such requests for additional services shall be made by City in writing and agreed upon by both parties in writing.

Section 4. Method of Payment. Unless otherwise provided for herein, CONSULTANT shall submit to City a detailed invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within 30 days of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice. CITY shall pay CONSULTANT said Consideration in accordance with the schedule of payment set forth in Exhibit B, attached hereto and incorporated herein.

Section 5. Independent contractor. CONSULTANT is and shall at all times remain, as to CITY, a wholly independent contractor. Neither CITY nor any of its agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's employees, except as herein set forth. CONSULTANT shall 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.

Section 6. Assignment. This Agreement shall not be assigned in whole or in part, by CONSULTANT without the prior written approval of CITY. Any attempt by CONSULTANT to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

Section 7. Responsible Principal(s)

(a) CONSULTANT's Responsible Principal set forth above shall be principally responsible for CONSULTANT's obligations under this Agreement and shall serve as principal liaison between CITY and CONSULTANT. Designation of another Responsible by CONSULTANT shall not be made without prior written consent of CITY.

(b) CITY's Responsible Principal shall be the City Manager or his designee set forth above who shall administer the terms of the Agreement on behalf of CITY.

Section 8. Personnel. CONSULTANT represents that it has, or shall secure at its own expense, all personnel required to perform CONSULTANT's Scope of Work under this Agreement. All personnel engaged in the work shall be qualified to perform such Scope of Work.

Section 9. Permits and Licenses. CONSULTANT shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

Section 10. Interests of CONSULTANT. CONSULTANT affirms that it presently has no interest and shall not have any interest, direct or indirect, which would conflict in any manner

with the performance of the Scope of Work contemplated by this Agreement. No person having any such interest shall be employed by or be associated with CONSULTANT.

Section 11. Insurance.

(a) CONSULTANT shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

(1) 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 CONSULTANT.

(2) A policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by CONSULTANT in performing the Scope of Work required by this Agreement.

(3) A policy or policies of Professional Liability Insurance (errors and omissions) with minimum limits of One Million Dollars (\$1,000,000) per claim and in the aggregate. Any deductibles or self-insured retentions attached to such policy or policies must be declared to and be approved by CITY. Further, CONSULTANT agrees to maintain in full force and effect such insurance for one year after performance of work under this Agreement is completed.

(4) Workers' compensation insurance as required by the State of California.

(b) CONSULTANT shall require each of its sub-consultants to maintain insurance coverage which meets all of the requirements of this Agreement.

(c) The policy or policies required by this Agreement shall be issued by an insurer

admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

(d) CONSULTANT agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at CONSULTANT's expense, the premium thereon.

(e) At all times during the term of this Agreement, CONSULTANT shall maintain on file with the City Clerk a certificate or certificates of insurance on the form set forth in Exhibit C, attached hereto and incorporated herein, showing that the aforesaid policies are in effect in the required amounts. CONSULTANT shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The general and auto liability insurance shall contain an endorsement naming the CITY as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to CITY, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

(f) The insurance provided by CONSULTANT shall be primary to any coverage available to CITY. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

(g) Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

Section 12. Indemnification. CONSULTANT agrees to indemnify, hold harmless and defend CITY, City Council and each member thereof, and every officer, employee and agent of CITY, from any claim, liability or financial loss (including, without limitation, attorneys fees and costs) arising from any intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT or any person employed by CONSULTANT in the performance of this Agreement.

Section 13. Termination.

(a) CITY shall have the right to terminate this Agreement for any reason or for no reason upon five calendar days' written notice to CONSULTANT. CONSULTANT agrees to cease all work under this Agreement on or before the effective date of such notice.

(b) In the event of termination or cancellation of this Agreement by CITY, due to no fault or failure of performance by CONSULTANT, CONSULTANT shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall CONSULTANT be entitled to receive more than the amount that would be paid to CONSULTANT for the full performance of the services required by this Agreement. CONSULTANT shall have no other claim against CITY by reason of such termination, including any claim for compensation.

Section 14. CITY's Responsibility. CITY shall provide CONSULTANT with all pertinent data, documents, and other requested information as is available for the proper performance of CONSULTANT 's Scope of Work.

Section 15. Information and Documents. All data, information, documents and drawings prepared for CITY and required to be furnished to CITY in connection with this Agreement shall become the property of CITY, and CITY may use all or any portion of the work submitted by CONSULTANT and compensated by CITY pursuant to this Agreement as CITY deems appropriate.

Section 16. Changes in the Scope of Work. The CITY shall have the right to order, in writing, changes in the scope of work or the services to be performed. Any changes in the scope of work requested by CONSULTANT must be made in writing and approved by both parties.

Section 17. Notice. Any notices, bills, invoices, etc. required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by facsimile before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid to the addresses set forth above, or to such other addresses as the parties may, from time to time, designate in writing pursuant to this section.

Section 18. Attorney's Fees. In the event that either party commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

Section 19. Entire Agreement. This Agreement represents the entire integrated agreement between CITY and CONSULTANT, and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both CITY and CONSULTANT .

Section 20. Exhibits; Precedence. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.

Section 21. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

Section 22. City Not Obligated to Third Parties. CITY shall not be obligated or liable under this Agreement to any party other than CONSULTANT.

Section 23. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

EXECUTED the \_\_\_\_ day of \_\_\_\_\_ 20\_\_, at Beverly Hills, California.

CITY OF BEVERLY HILLS  
A Municipal Corporation

\_\_\_\_\_  
BARRY BRUCKER  
Mayor of the City of  
Beverly Hills, California

ATTEST:

\_\_\_\_\_(SEAL)  
BYRON POPE  
City Clerk

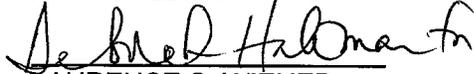
CONSULTANT: STEGEMAN & KASTNER, INC.

\_\_\_\_\_  
FRITZ KASTNER  
Chief Executive Officer

\_\_\_\_\_  
RANDALL FULTON  
Treasurer

[Signatures continue]

APPROVED AS TO FORM:

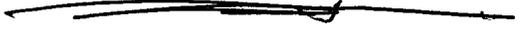


LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:



JEFFREY KOLIN  
City Manager



SCOTT G. MILLER  
Director of Administrative Services/  
Chief Financial Officer



KARL KIRKMAN  
Risk Manager

## EXHIBIT A

### SCOPE OF WORK

#### **PRE-DESIGN PHASE**

##### Project Development:

CONSULTANT shall assist the CITY's Architect and contractors in the development of a scope of work for Phases 1 and 2 for tenant improvements at the Chamber of Commerce building located at 239 South Beverly Drive which includes the remodel of the 2<sup>nd</sup> floor, upgrade of the Mechanical Electrical Plumbing ("MEP") systems, Code compliance in preparation for leasing the space. Phase 2 includes the remodel of the 1<sup>st</sup> floor once Chamber of Commerce and Conference & Visitors Bureau vacate the area. In addition, CONSULTANT shall assist CITY in developing a scope of work for the 1<sup>st</sup> floor as an Interim Phase while tenants are in the building.

##### Criteria Development:

CONSULTANT shall, with the participation of CITY and the CITY's General Contractor, assist CITY in developing technical criteria for incorporation into the project design.

##### General Assistance:

CONSULTANT shall be available to the CITY to provide all project management services CITY requires.

#### **DESIGN PHASE**

##### Process Management:

CONSULTANT shall review CITY's project objectives and assist in controlling the architectural and engineering design effort throughout the design process.

##### Team Selection:

CONSULTANT, with approval of CITY, shall assist in selection of and in the negotiation with all other specialty contractors, such as hazardous materials contractor and roofing contractor. Where indicated, CONSULTANT shall prepare a list of potential candidates for approval by the CITY and conduct interviews of such contractors and their staff, together with the CITY.

##### Team Direction:

CONSULTANT shall, with participation of the CITY, manage and oversee the activities of the Project Team, which includes the General Contractor, the sub-contractors and other consultants ("Project Team") and help keep the focus of the team's activities in concert with the CITY's project goals. CONSULTANT shall on behalf of the CITY, issue and implement authorizations and directives to the contractors.

##### Review of Conceptual Design:

CONSULTANT shall review, with the participation of the CITY, concept drawings prepared by the Architect and engineering team, provide comments and assist the CITY in determining that the design meets CITY's objectives prior to the CITY's review and approval.

##### Review of Schematic Design:

CONSULTANT shall review, with the participation of the CITY, schematic design drawings prepared by the Architect & Engineering Team, provide comments and analysis of design

features and assist the CITY in determining that the schematic design is a consistent and logical evolution of the approved design concept prior to the CITY's review and approval.

Review of Design Development:

CONSULTANT shall review, with the participation of the CITY, the development of the design, provide comments and analysis of design and building system features, code compliance, and materials proposed, evaluate the design package for budget and schedule impact, and provide value engineering input prior to CITY's acceptance and approval.

Review of Construction Documents:

CONSULTANT shall review the construction documents with the Architect and Engineers, secure the CITY's decisions as required and review the drawings for completeness. CONTRACTOR shall also review the proposed materials, coordinate with the building systems, design loads and engineering assumptions and proposed methods of construction for compliance with the CITY's budget, schedules goals and objectives and for consistency with desired levels of construction finishes and sound construction practice.

Contract Administration:

CONSULTANT shall monitor the performance of all project participants under the various contracts and review and recommend for approval all billings in connection with them. CONSULTANT shall review and negotiate requests for extra service authorizations and make the appropriate recommendations for approval or disapproval to the CITY.

Project Schedule:

CONSULTANT shall, together with the Architect and the CITY, develop a Project Master Schedule ("Master Schedule"). This Master Schedule shall reflect not only the activities of the Architect and the General Contractor, but also CITY's review and approval time requirements, public approvals, and any other pertinent time frames.

Project Budget:

CONSULTANT shall review the project budget proposed by the Architect and CITY and shall refine the information to reflect direct and indirect costs, CITY direct purchases, and appropriate contingencies relative to the direct (construction) budget, ascertain that it reflects the cost of the CITY's special requirements of the tenant improvement such as, electrical and mechanical upgrades, and the appropriate level of cost for the intended level of quality and finish of the interior improvements. If required by CITY, CONSULTANT shall establish allowances, qualifications, and exclusions from this budget and confirm the appropriateness of the construction contingency included in the budget in relation to the amount information contained in the project documents. CONSULTANT shall periodically update this budget to reflect the CITY's requirements.

Design Meetings:

CONSULTANT shall interface with the Architect and the engineers through design meetings where CONSULTANT shall participate in order to gain a thorough understanding of the construction means, methods and materials proposed for this project. CONSULTANT shall focus on constructability aspects of the design and make recommendations for potential alternates.

Client Meetings:

CONSULTANT shall meet regularly with the CITY and other CITY's clients (tenants and contractors) to discuss the progress of the design and to review contract, schedule, budget and

construction issues. CONSULTANT shall advise and make recommendations to the CITY relating to CITY's direction of the design effort.

Value Engineering:

Throughout the development of the architectural and engineering design for CITY's project, CONSULTANT shall conduct value engineering analysis to confirm that the proposed solutions meet the quality standards for the project and result in the most effective expenditure of construction funds.

**ESTIMATED FEE: \$30,000**

**BID PHASE**

Competitive Bid General CONTRACTOR s:

CONSULTANT shall conduct a General Contractor selection process and oversee the conduct of the competitive bidding process. CONSULTANT shall participate in the development of bid instruction and together with the Architect conduct a pre-bid conference.

CONSULTANT shall manage the response to bidders' questions and review addenda to the bid documents prior to release to bidders.

CONSULTANT shall participate in the review of bids received and tabulate bid results.

CONSULTANT shall participate in the pre-award review with the low bidder and the completion of the general contract.

**ESTIMATED FEE: \$20,000**

**CONSTRUCTION PHASE**

General Contractor Procedures:

CONSULTANT shall review General Contractor's proposed project documentation and procedures together with the scheduling of tenant improvement construction work, as well as preconstruction schedules relating to product submittals, shop drawing preparation and review, purchasing and deliveries, and the confirmation of timely availability of alternative products.

Change Order Control:

CONSULTANT shall review requests for changes, whether requested by the CITY, Architect, General Contractor or subcontractors. CONSULTANT shall review the breakdown submitted to check prices as necessary. CONSULTANT shall negotiate with the General Contractor, have the Architect finalize and conform the drawings, and CONSULTANT shall write the final Change Order for CITY approval.

Cost Report:

CONSULTANT shall prepare a monthly Cost Report for direct and indirect construction cost expenditures reflecting committed costs (base contracts plus Change Orders), pending Change Orders, anticipated Change Orders, and cost to complete.

Pay Requests:

CONSULTANT shall review General Contractor's requests for progress payments and Architect's Certifications issued in connection therewith, determine dollar value of progress, and advise the CITY that all sums are due pursuant to the applicable contracts and/or purchase orders.

Construction Meetings:

CONSULTANT shall conduct weekly meetings with the General Contractor, Architect, and the CITY to review construction progress, requests for information (RFIs), review schedules, requested and/or pending changes, and any other current construction issues to assure orderly progress of information and decisions.

Field Observations:

CONSULTANT shall make periodic field observations advising the CITY as to the adherence to schedule, quality control, plans and specifications. All required inspections shall be made by registered deputy inspectors, as mandated by applicable laws and governmental regulations.

Final Acceptance:

CONSULTANT shall establish procedures acceptable to the CITY to be followed by the contractors, the CITY and the Architect in connection with the inspection and acceptance of installations and systems of the project in order to facilitate CITY's acceptance.

Project Close Out:

CONSULTANT shall, with the assistance of the CITY, perform a final visual acceptance review of construction work, review the General Contractor's implementation of Architect's punchlist of corrective work and request the Architect to make his/her final inspection and certification when and where appropriate. CONSULTANT shall also monitor General Contractor's close-out of all contracts, including settlement of claims, receipt of all final lien releases, and final payments. CONSULTANT shall also monitor the production of as-built drawings (as required), and the preparation of project manuals, including all operating instructions and warranties.

Coordination:

CONSULTANT shall assist in coordinating the work of all professional firms and agencies for the project to minimize interference with the construction progress.

General Assistance:

CONSULTANT shall generally be available to the CITY to review and recommend solutions to construction or related problems that arise.

EXHIBIT B

**SCHEDULE OF PAYMENT**

Estimated Professional Fee not to exceed: \$127,850

Reimbursable Expenses not to exceed: \$3,000

Total Fee including Roofing Contractor not to exceed : \$130,850

**HOURLY RATE SCHEDULE**

The following standard rate schedule for compensation under this Agreement is valid for the current calendar year and is subject to revision on an annual basis upon thirty (30) days' written notice to CITY.

POSITIONS	HOURLY RATES
Principal	\$216.00
Project Executive	\$196.00
Senior Project Manager	\$180.00
Project Manager	\$170.00
Senior Project Engineer	\$105.00
Project Engineer	\$98.00
Project Management Assistant	\$75.00
Reimbursable Expense Rates	
Photocopy/Reproduction Rate	\$.10/per page
Mileage, adjusted to I.R.S. Standard Rate, currently	\$.585/mile
Parking	Cost
Messenger & Delivery Services	Cost + 10%
Travel: Airfare, Hotel, Cab Fares, Rental Car	Cost
Sub-consultant contracts	Cost + business tax, if applicable

**EXHIBIT C**

**CERTIFICATE OF INSURANCE**

This is to certify that the following endorsement is part of the policy(ies) described below :

**NAMED INSURED**

**COMPANIES AFFORDING COVERAGE**

**ADDRESS**

- A.**
- B.**
- C.**

COMPANY (A.B.C.)	COVERAGE	POLICY NUMBER	EXPIRATION DATE	B.I.	LIMITS P.D.	AGGREGATE
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS <input type="checkbox"/> BLANKET CONTRACTUAL <input type="checkbox"/> CONTRACTOR'S PROTECTIVE <input type="checkbox"/> PERSONAL INJURY <input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> WORKER'S COMPENSATION					

It is hereby understood and agreed that the City of Beverly Hills, its City Council and each member thereof and every officer and employee of the City shall be named as joint and several assureds with respect to claims arising out of the following project or agreement:

It is further agreed that the following indemnity agreement between the City of Beverly Hills and the named insured is covered under the policy: CONTRACTOR agrees to indemnify, hold harmless and defend City, its City Council and each member thereof and every officer and employee of City from any and all liability or financial loss resulting from any suits, claims, losses or actions brought against and from all costs and expenses of litigation brought against City, its City Council and each member thereof and any officer or employee of City which results directly or indirectly from the wrongful or negligent actions of CONTRACTOR's officers, employees, agents or others employed by CONTRACTOR while engaged by CONTRACTOR in the (performance of this agreement) construction of this project.

It is further agreed that the inclusion of more than one assured shall not operate to increase the limit of the company's liability and that insurer waives any right of contribution with insurance which may be available to the City of Beverly Hills.

In the event of cancellation or material change in the above coverage, the company will give 30 days written notice of cancellation or material change to the certificate holder.

Except to certify that the policy(ies) described above have the above endorsement attached, this certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

DATE : \_\_\_\_\_ BY : \_\_\_\_\_  
 \_\_\_\_\_  
 Authorized Insurance Representative

AGENCY : \_\_\_\_\_ TITLE : \_\_\_\_\_  
 \_\_\_\_\_ Address : \_\_\_\_\_  
 \_\_\_\_\_

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND  
STEGEMAN AND KASTNER, INC. FOR CONSULTING SERVICES  
RELATED TO TENANT IMPROVEMENTS AT 9400 SOUTH SANTA  
MONICA BOULEVARD

NAME OF CONSULTANT: Stegeman and Kastner, Inc.

RESPONSIBLE PRINCIPAL OF CONSULTANT: Fritz Kastner, CEO

CONSULTANT'S ADDRESS: 2601 Ocean Park Blvd., Suite 300  
Santa Monica, CA 90405  
Attention: Fritz Kastner, Chief Executive Officer

CITY'S ADDRESS: City of Beverly Hills  
455 N. Rexford Drive  
Beverly Hills, CA 90210  
Attention: Brenda Lavender  
Real Estate & Property Manager

COMMENCEMENT DATE: Upon execution of the Agreement

TERMINATION DATE: June 30, 2012

CONSIDERATION: Professional fees not to exceed \$95,000 based on the  
hourly rates set forth in Exhibit B; Reimbursable  
expenses not to exceed \$3,000; Total not to exceed  
\$98,000

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND  
STEGEMAN AND KASTNER, INC. FOR CONSULTING SERVICES  
RELATED TO TENANT IMPROVEMENTS AT 9400 SOUTH SANTA  
MONICA BOULEVARD

THIS AGREEMENT is made by and between the City of Beverly Hills (hereinafter called "CITY"), and Stegeman and Kastner, Inc. (hereinafter called "CONSULTANT").

RECITALS

A. CITY desires to have certain services and/or goods provided as set forth in Exhibit A (the "Scope of Work"), attached hereto and incorporated herein.

B. CONSULTANT represents that it is qualified and able to perform the Scope of Works.

NOW, THEREFORE, the parties agree as follows:

Section 1. CONSULTANT's Scope of Work. CONSULTANT shall perform the Scope of Work described in Exhibit A in a manner satisfactory to CITY and consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. City shall have the right to order, in writing, changes in the Scope of Work. Any changes in the Scope of Work by CONSULTANT must be made in writing and approved by both parties. The cost of any change in the Scope of Work must be agreed to by both parties in writing.

Section 2. Time of Performance.

CONSULTANT shall commence its services under this Agreement upon receipt of a written notice to proceed from CITY. CONSULTANT shall complete the performance of services by the Termination Date set forth above and/or in conformance with the project timeline established by the City Manager or his designee.

The City Manager or his designee may extend the time of performance in writing for two additional one-year terms or such other term not to exceed two years from the date of termination pursuant to the same terms and conditions of this Agreement.

Section 3. Compensation.

(a) Compensation

CITY agrees to compensate CONSULTANT for the services and/or goods provides under this Agreement, and CONSULTANT agrees to accept in full satisfaction for such services, a sum not to exceed the Consideration set forth above and more particularly described in Exhibit B, attached hereto and incorporated herein.

(b) Expenses

CONSULTANT shall be entitled to reimbursement only for those expenses expressly set forth in Exhibit B. Any expenses incurred by CONSULTANT which are not expressly authorized by this Agreement will not be reimbursed by CITY.

(c) Additional Services. CITY may from time to time require CONSULTANT to perform additional services not included in the Scope of Services. Such requests for additional services shall be made by CITY in writing and agreed upon by both parties in writing.

Section 4. Method of Payment. Unless otherwise provided for herein, CONSULTANT shall submit to City a detailed invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within 30 days of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice. CITY shall pay CONSULTANT said Consideration in accordance with the schedule of payment set forth in Exhibit B, attached hereto and incorporated herein.

Section 5. Independent Contractor. CONSULTANT is and shall at all times remain, as to CITY, a wholly independent contractor. Neither CITY nor any of its agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's employees, except as herein set forth. CONSULTANT shall 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.

Section 6. Assignment. This Agreement shall not be assigned in whole or in part, by CONSULTANT without the prior written approval of CITY. Any attempt by CONSULTANT to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

Section 7. Responsible Principal(s)

(a) CONSULTANT's Responsible Principal set forth above shall be principally responsible for CONSULTANT's obligations under this Agreement and shall serve as principal liaison between CITY and CONSULTANT. Designation of another Responsible by CONSULTANT shall not be made without prior written consent of CITY.

(b) CITY's Responsible Principal shall be the City Manager or his designee set forth above who shall administer the terms of the Agreement on behalf of CITY.

Section 8. Personnel. CONSULTANT represents that it has, or shall secure at its own expense, all personnel required to perform CONSULTANT's Scope of Work under this Agreement. All personnel engaged in the work shall be qualified to perform such Scope of Work.

Section 9. Permits and Licenses. CONSULTANT shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

Section 10. Interests of CONSULTANT. CONSULTANT affirms that it presently has no interest and shall not have any interest, direct or indirect, which would conflict in any manner

with the performance of the Scope of Work contemplated by this Agreement. No person having any such interest shall be employed by or be associated with CONSULTANT.

Section 11. Insurance.

(a) CONSULTANT shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

(1) 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 CONSULTANT.

(2) A policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by CONSULTANT in performing the Scope of Work required by this Agreement.

(3) A policy or policies of Professional Liability Insurance (errors and omissions) with minimum limits of One Million Dollars (\$1,000,000) per claim and in the aggregate. Any deductibles or self-insured retentions attached to such policy or policies must be declared to and be approved by CITY. Further, CONSULTANT agrees to maintain in full force and effect such insurance for one year after performance of work under this Agreement is completed.

(4) Workers' compensation insurance as required by the State of California.

(b) CONSULTANT shall require each of its sub-contractors to maintain insurance coverage which meets all of the requirements of this Agreement.

(c) The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

(d) CONSULTANT agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at CONSULTANT's expense, the premium thereon.

(e) At all times during the term of this Agreement, CONSULTANT shall maintain on file with the City Clerk a certificate or certificates of insurance on the form set forth in Exhibit C, attached hereto and incorporated herein, showing that the aforesaid policies are in effect in the required amounts. CONSULTANT shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The general and auto liability insurance shall contain an endorsement naming the CITY as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to CITY, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

(f) The insurance provided by CONSULTANT shall be primary to any coverage available to CITY. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

(g) Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

Section 12. Indemnification. CONSULTANT agrees to indemnify, hold harmless and defend CITY, City Council and each member thereof, and every officer, employee and agent of CITY, from any claim, liability or financial loss (including, without limitation, attorneys fees and costs) arising from any intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT or any person employed by CONSULTANT in the performance of this Agreement.

Section 13. Termination.

(a) CITY shall have the right to terminate this Agreement for any reason or for no reason upon five calendar days' written notice to CONSULTANT. CONSULTANT agrees to cease all work under this Agreement on or before the effective date of such notice.

(b) In the event of termination or cancellation of this Agreement by CITY, due to no fault or failure of performance by CONSULTANT, CONSULTANT shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall CONSULTANT be entitled to receive more than the amount that would be paid to CONSULTANT for the full performance of the services required by this Agreement. CONSULTANT shall have no other claim against CITY by reason of such termination, including any claim for compensation.

Section 14. CITY's Responsibility. CITY shall provide CONSULTANT with all pertinent data, documents, and other requested information as is available for the proper performance of CONSULTANT's Scope of Work.

Section 15. Information and Documents. All data, information, documents and drawings prepared for CITY and required to be furnished to CITY in connection with this Agreement shall become the property of CITY, and CITY may use all or any portion of the work submitted by CONSULTANT and compensated by CITY pursuant to this Agreement as CITY deems appropriate.

Section 16. Changes in the Scope of Work. The CITY shall have the right to order, in writing, changes in the scope of work or the services to be performed. Any changes in the scope of work requested by CONSULTANT must be made in writing and approved by both parties.

Section 17. Notice. Any notices, bills, invoices, etc. required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by facsimile before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid to the addresses set forth above, or to such other addresses as the parties may, from time to time, designate in writing pursuant to this section.

Section 18. Attorney's Fees. In the event that either party commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

Section 19. Entire Agreement. This Agreement represents the entire integrated agreement between CITY and CONSULTANT, and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both CITY and CONSULTANT.

Section 20. Exhibits; Precedence. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.

Section 21. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

Section 22. City Not Obligated to Third Parties. CITY shall not be obligated or liable under this Agreement to any party other than CONSULTANT.

Section 23. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

EXECUTED the \_\_\_\_\_ day of \_\_\_\_\_ 2011, at Beverly Hills, California.

CITY OF BEVERLY HILLS  
A Municipal Corporation

\_\_\_\_\_  
BARRY BRUCKER  
Mayor of the City of  
Beverly Hills, California

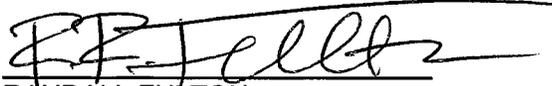
ATTEST:

\_\_\_\_\_(SEAL)  
BYRON POPE  
City Clerk

CONSULTANT: STEGEMAN & KASTNER, INC.

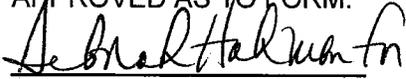
\_\_\_\_\_  
FRITZ KASTNER  
Chief Executive Officer

[Signatures continue]



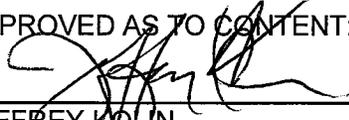
RANDALL FULTON  
Treasurer

APPROVED AS TO FORM:



LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:



JEFFREY KOLIN  
City Manager



SCOTT G. MILLER  
Director of Administrative Services/  
Chief Financial Officer



KARL KIRKMAN  
Risk Manager

## EXHIBIT A

### SCOPE OF WORK

CONSULTANT shall perform the following services in connection with the 9400 Santa Monica Blvd. building tenant improvements:

#### **PRE-DESIGN PHASE**

##### Existing Conditions:

CONSULTANT shall assist the CITY and CITY's potential tenants in understanding the 9400 Santa Monica building's architectural, structural, mechanical, engineering and plumbing (MEP), and Fire/life safety scope of work.

CONSULTANT shall assist the CITY and potential tenants in evaluating existing conditions.

##### Scope Modifications to Shell & Core (S&C):

CONSULTANT shall evaluate potential changes as proposed by CITY or tenant and advise CITY of cost and schedule impacts.

CONSULTANT shall coordinate work with S&C Design Team, which includes the Architect and Mechanical, Electrical and Plumbing Engineers ("Design Team") and contractors in implementing tenant desired scope changes.

CONSULTANT shall advise CITY and tenant of S&C construction schedule on a regular basis. Advise CITY of schedule opportunities for implementing tenant desired changes.

CONSULTANT shall review and evaluate tenant requested changes to S&C and advise CITY of construction impacts.

##### Criteria Development:

CONSULTANT, with the participation of CITY and the CITY's contractors, shall assist CITY in developing required technical criteria for incorporation into the project design.

##### General Assistance:

CONSULTANT shall be available to the CITY to provide any and all program management services CITY requires in this phase.

#### **DESIGN PHASE**

##### Process Management:

CONSULTANT shall review Tenants' Program objectives and assist in controlling the architectural and engineering design effort throughout the design process.

Team Direction:

CONSULTANT shall, with participation of CITY, manage and oversee the activities of the Project Team, which includes the General Contractor, the sub-contractors and other consultants ("Project Team") and help keep the focus of the team's activities in concert with the CITY's project goals. CONSULTANT shall on behalf of the CITY, issue and implement authorizations and directives to any other CITY sub-consultants.

Review of Conceptual Design:

CONSULTANT shall review, with the participation of the CITY, concept drawings prepared by the Architect and engineering team, provide comments and assist the CITY in determining that the CITY's objectives are met by the design prior to the CITY's approval.

Review of Schematic Design:

CONSULTANT shall review, with the participation of the CITY, schematic design drawings prepared by the Architectural and Engineering Team, provide comments and analysis of design features and assist the CITY in determining that the schematic design is a consistent and logical evolution of the approved design concept prior to the CITY's review and approval.

Review of Design Development:

CONSULTANT shall review, with the participation of the CITY, the development of the design, provide comments and analysis of design and building system features, code compliance, and materials proposed, evaluate the design package for budget and schedule impact, and provide value engineering input prior to CITY's review, acceptance and approval.

Review of Construction Documents:

CONSULTANT shall review the construction documents with the Architect and Engineers, secure the CITY's decisions as required and review the drawings for completeness. CONSULTANT shall also review the proposed materials, coordination with the building systems, design loads and engineering assumptions and proposed methods of construction for compliance with the CITY's budget, schedules goals and objectives and for consistency with desired levels of construction finishes and sound construction practice.

Contract Administration:

CONSULTANT shall monitor the performance of all project participants under the various contracts and review and recommend for approval all billings in connection with them. CONSULTANT shall review and negotiate requests for extra service authorizations and make the appropriate recommendations for approval or disapproval to the CITY

Project Schedule:

CONSULTANT shall, together with the Architect and the CITY, develop a Project Master Schedule ("Master Schedule") in coordination with the 9400 Santa Monica construction schedule. This Master Schedule shall reflect not only the activities of the Architect and the

General Contractor, but also CITY's review and approval time requirements, public approvals, and any other pertinent time frames.

Project Budget:

CONSULTANT shall review the project budget proposed by the CITY and will refine the information to reflect direct and indirect costs, furniture, fixtures and equipment ("FF&E"), CITY direct purchases, and appropriate contingencies relative to the construction budget, ascertain that it reflects the cost of the CITY's special requirements of the tenant improvement such as, electrical and mechanical upgrades, and the appropriate level of cost for the intended level of quality and finish of the interior improvements; CONSULTANT shall establish allowances, qualifications, and exclusion from this budget and confirm the appropriateness of the construction contingency included in the budget vis-a-vis the amount of information contained in the project documents. CONSULTANT shall periodically update this budget to reflect the CITY's requirements.

Design Meetings:

CONSULTANT shall interface with the Architect and the engineers through design meetings where CONSULTANT shall participate in order to gain a thorough understanding of the construction means, methods and materials proposed for this project. CONSULTANT shall focus on constructability aspects of the design and make recommendations for potential alternates.

Client Meetings:

CONSULTANT shall meet regularly with the CITY and other CITY clients (tenants and contractors) to discuss the progress of the design and to review contract, schedule, budget and construction issues. CONSULTANT shall advise and make recommendations to the CITY relating to CITY's direction of the design effort.

Value Engineering:

Throughout the development of the architectural and engineering design for CITY's project, CONSULTANT shall conduct value engineering analysis to confirm that the proposed solutions meet the quality standards for the Project and result in the most effective expenditure of construction funds.

**CONSTRUCTION PHASE**

General Contractor:

At CITY's request, CONSULTANT shall review the qualifications of the General Contractor proposed by Tenant and make recommendations. CONSULTANT shall participate in Pre-Construction meetings.

General Contractor Procedures:

CONSULTANT shall review General Contractor's proposed project documentation and procedures together with the scheduling of tenant improvement construction work, as well as preconstruction schedules relating to product submittals, shop drawing preparation and review, purchasing and deliveries, and the confirmation of timely availability of alternative products. CONSULTANT shall assist in coordination of this contract.

Change Order Control:

At CITY's Request, CONSULTANT shall review requests for changes, whether requested by the CITY, Architect, General Contractor or Subcontractors. CONSULTANT shall review the price breakdown submitted to check prices as necessary. CONSULTANT shall negotiate with the General Contractor, have the Architect finalize and conform the drawings, and CONSULTANT shall write the final Change Order for CITY approval.

Cost Report:

Upon request, CONSULTANT shall prepare a monthly Cost Report for direct and indirect construction cost expenditures reflecting committed costs (base contracts plus Change Orders), pending Change Orders, anticipated Change Orders, and cost to complete. If required by CITY, CONSULTANT shall report on items tracked internally by the CITY, such as indirect costs, FF&E costs, other direct purchases, and contingencies.

Pay Requests:

CONSULTANT shall review General Contractor's requests for progress payments and Architect's Certifications issued in connection therewith, determine dollar value of progress, and advise the CITY that all sums are due pursuant to the applicable contracts and/or purchase orders.

Construction Meetings:

CONSULTANT shall participate in weekly meetings with the General Contractor, Architect, Tenant and the CITY to review construction progress, request for information (RFIs), review schedules, requested and/or pending changes, and any other current construction issues to assure orderly progress of information and decisions. CONSULTANT shall review RFI's and Substitution requests for impact to Shell & Core building systems and provide recommendations to CITY.

Field Observations:

CONSULTANT shall make periodic field observations advising the CITY as to the adherence to schedule, quality control, plans and specifications.

All required inspections shall be made by registered deputy inspectors, as mandated by applicable laws and governmental regulations.

Final Acceptance:

CONSULTANT shall establish procedures acceptable to the CITY to be followed by the Contractors, the CITY and the Architect in connection with the inspection and acceptance of installations and systems of the project in order to facilitate CITY's acceptance.

Project Close Out:

CONSULTANT shall, with the assistance of the CITY, perform a final visual acceptance review of construction work, review the General Contractor's implementation of Architect's punchlist of corrective work and request the Architect to make his/her final inspection and certification when and where appropriate. CONSULTANT shall also monitor General Contractor's close-out of all contracts, including settlement of claims, receipt of all final lien releases, and final payments. CONSULTANT shall also monitor the production of as-built drawings (as required), and the preparation of project manuals, including all operating instructions and warranties.

Coordination:

CONSULTANT shall assist in coordinating the work of all professional firms and agencies for the project to minimize interference with the construction progress.

General Assistance:

CONSULTANT shall generally be available to the CITY to review and recommend solutions to construction or related problems that arise.

EXHIBIT B

SCHEDULE OF PAYMENT AND RATES

Professional Fees Not to Exceed: \$95,000 based on the Hourly Rates set forth below.

Reimbursable Expenses listed below reasonably incurred by CONSULTANT in the performance of the Agreement not to exceed: \$3,000

Total Not to Exceed: \$98,000

HOURLY RATE SCHEDULE

The following standard rate schedule for compensation under this Agreement is valid for the current calendar year and is subject to revision on an annual basis upon thirty (30) days' written notice to CITY.

POSITIONS	HOURLY RATES
Principal	\$216.00
Project Executive	\$196.00
Senior Project Manager	\$180.00
Project Manager	\$170.00
Senior Project Engineer	\$105.00
Project Engineer	\$98.00
Project Management Assistant	\$75.00
Reimbursable Expense Rates	
Photocopy/Reproduction Rate	\$ .10/per page
Mileage:	Adjusted to I.R.S. Standard
Rate, currently	\$ .585/mile
Parking Cost	
Messenger & Delivery Services:	Cost + 10%
Travel:	
Airfare, Hotel, Cab Fares, Rental Car	Cost
Sub-consultant contracts	Cost + business tax, if applicable

EXHIBIT C

CERTIFICATE OF INSURANCE

This is to certify that the following endorsement is part of the policy(ies) described below :

**NAMED INSURED**

**COMPANIES AFFORDING COVERAGE**

**ADDRESS**

- A.
- B.
- C.

COMPANY (A.B.C.)	COVERAGE	POLICY NUMBER	EXPIRATION DATE	B.I.	LIMITS P.D.	AGGREGATE
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS <input type="checkbox"/> BLANKET CONTRACTUAL <input type="checkbox"/> CONTRACTOR'S PROTECTIVE <input type="checkbox"/> PERSONAL INJURY <input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> WORKER'S COMPENSATION					

It is hereby understood and agreed that the City of Beverly Hills, its City Council and each member thereof and every officer and employee of the City shall be named as joint and several assureds with respect to claims arising out of the following project or agreement:

It is further agreed that the following indemnity agreement between the City of Beverly Hills and the named insured is covered under the policy: Contractor agrees to indemnify, hold harmless and defend City, its City Council and each member thereof and every officer and employee of City from any and all liability or financial loss resulting from any suits, claims, losses or actions brought against and from all costs and expenses of litigation brought against City, its City Council and each member thereof and any officer or employee of City which results directly or indirectly from the wrongful or negligent actions of contractor's officers, employees, agents or others employed by Contractor while engaged by Contractor in the (performance of this agreement) construction of this project.

It is further agreed that the inclusion of more than one assured shall not operate to increase the limit of the company's liability and that insurer waives any right of contribution with insurance which may be available to the City of Beverly Hills.

In the event of cancellation or material change in the above coverage, the company will give 30 days written notice of cancellation or material change to the certificate holder.

Except to certify that the policy(ies) described above have the above endorsement attached, this certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

DATE : \_\_\_\_\_ BY : \_\_\_\_\_  
 \_\_\_\_\_  
 Authorized Insurance Representative

AGENCY : \_\_\_\_\_ TITLE : \_\_\_\_\_  
 \_\_\_\_\_ Address : \_\_\_\_\_  
 \_\_\_\_\_