



## AGENDA REPORT

**Meeting Date:** January 6, 2009

**Item Number:** F-8

**To:** Honorable Mayor & City Council

**From:** Alan Schneider, Director of Project Administration

**Subject:** APPROVAL OF AMENDMENT NO. 2 TO THE AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND STEGEMAN AND KASTNER, INC. FOR PROJECT MANAGEMENT CONSULTANT SERVICES RELATED TO THE CITY'S CAPITAL IMPROVEMENT PROJECTS; AND

APPROVAL OF A CHANGE PURCHASE ORDER IN THE AMOUNT OF \$100,000 TO STEGEMAN AND KASTNER, INC. FOR THESE SERVICES

**Attachments:** 1. Agreement

---

### **RECOMMENDATION**

Staff recommends that the City Council move to approve Amendment No. 2 to the agreement with Stegeman and Kastner, Inc. in the not-to-exceed amount of \$100,000 for project management consulting services related to City Capital Improvement Projects, and approve a Change Purchase Order in the amount of \$100,000 for these services. The total compensation under this agreement is \$250,000.

### **INTRODUCTION**

In 2006, the City entered into an agreement with Stegeman and Kastner to provide professional consulting services to supplement Project Administration staff in the administration of the City's Capital Improvement (CIP) projects for a three year period. The proposed amendment is to provide compensation to continue their project management services related to various upcoming significant CIP projects.

### **DISCUSSION**

During the past two years Stegeman and Kastner have provided services on the remodel of Fire Station No. 3, first floor remodel of City Hall and relocation of City staff to the modular buildings. In addition, Stegeman and Kastner provided professional

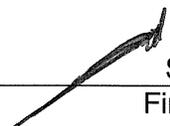
services on behalf of the City with the Athens Group for the public components of the T-Lot Montage development. A brief summary of the consulting services specified under the agreement are as follows:

- Program development
- Assist in Architect selection
- Review of design concept
- Review of schematic & design development design
- Review of construction documents
- Contract administration
- Project scheduling
- Project budgeting
- Value engineering
- Review general contractor procedures
- Change order control
- Review contractor pay requests
- Conduct construction meetings
- Provide field observation during construction
- Assist in project close-out

Currently, the City is moving forward with the remodel of the second and third floors of City Hall, as well as the expansion of the Emergency Operations Center (EOC) and relocation of offices in the Police Facility. These projects involve complicated phasing and logistical issues to maintain full operations of the facilities during the remodeling construction. Consequently, it is recommended that Stegeman and Kastner provide services to complement staff in the management of these projects to ensure timely completion and control of the construction costs. They have provided professional, timely and responsive service, and demonstrated their ability as project managers.

**FISCAL IMPACT**

The consultant's fee is a not-to-exceed amount of \$100,000 based on the hourly rates specified in the agreement. Funding for the agreement has been allocated from the CIP Project budgets for City Hall Master Projects #851 and Police Facility Improvements #610.

  
\_\_\_\_\_  
Scott G. Miller  
Finance Approval

  
\_\_\_\_\_  
David D. Gustavson  
Approved By

# **Attachment 1**

## Agreement

AMENDMENT NO. 2 TO AN AGREEMENT BETWEEN THE  
CITY OF BEVERLY HILLS AND STEGEMAN AND KASTNER,  
INC. FOR PROJECT MANAGEMENT CONSULTANT SERVICES  
RELATED TO THE CITY'S CAPITAL IMPROVEMENT  
PROJECTS

NAME OF CONSULTANT: Stegeman and Kastner, Inc.

RESPONSIBLE PRINCIPAL  
OF CONSULTANT: Fritz W. Kastner, Chairman

CONSULTANT'S ADDRESS: 2601 Ocean Park Boulevard, Suite 300  
Santa Monica, California 90405  
Attention: Fritz Kastner

CITY'S ADDRESS: City of Beverly Hills  
455 N. Rexford Drive  
Beverly Hills, CA 90210  
Attention: Alan Schneider  
Director of Project Administration

COMMENCEMENT DATE: Upon receipt of a Notice to Proceed

TERMINATION DATE: June 30, 2010

CONSIDERATION: Original Agreement:  
Not to exceed \$100,000, based on the rates  
and actual cost of reimbursable expenses  
described in Exhibit B-1;

Amendment No. 1:  
Not to exceed \$50,000, based on the rates and  
actual cost of reimbursable expenses  
described in Exhibit B-1;

Amendment No. 2:  
Not to exceed \$100,000, based on the rates  
and actual costs of reimbursable expenses  
described in Exhibit B-1;

Total not to exceed \$250,000

AMENDMENT NO. 2 TO AN AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND STEGEMAN AND KASTNER, INC. FOR PROJECT MANAGEMENT CONSULTANT SERVICES RELATED TO THE CITY'S CAPITAL IMPROVEMENT PROJECTS

This Amendment No. 2 is to that certain Agreement between the City of Beverly Hills, a municipal corporation ("City"), and Stegeman and Kastner, Inc. ("Consultant"), dated August 1, 2006 and identified as Contract No. 283-06 as amended by Amendment No. 1 dated June 19, 2007 and identified as Contract No. 213-07 ("Agreement") for project management consultant services related to the City's capital improvement projects.

RECITALS

A. City entered into a written agreement with Consultant for project management consultant services related to the City's capital improvement projects, dated August 1, 2006.

B. CITY desires to extend the Termination date, to increase the Consideration to compensate Consultant for the additional services to be performed on City Hall and Police Facility projects and to amend Exhibit B-1 regarding compensation.

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 amended as set forth above.

Section 3. Exhibit B-1, Schedule of Rates, shall be amended as attached hereto and incorporated herein by this reference.

Section 4. Except as set forth in this Amendment No. 2, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, 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 AND  
KASTNER, INC.

\_\_\_\_\_  
FRIEDRICH KASTNER  
Chief Executive Officer

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

APPROVED AS TO FORM

\_\_\_\_\_  
LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:

\_\_\_\_\_  
RODERICK J. WOOD, CCM  
City Manager

\_\_\_\_\_  
DAVID D. GUSTAVSON  
Director of Public Works & Transportation

[Signatures continue]



---

ALAN SCHNEIDER  
Director of Project Administration



---

KARL KIRKMAN  
Risk Manager

EXHIBIT B-1

Schedule of Rates

City shall pay Consultant for the satisfactory performance of all services required by this Agreement an amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) and based on the hourly rates set forth in this Exhibit and reasonable reimbursement expenses as described below.

A. Fees

Hourly rates:

|                           |       |
|---------------------------|-------|
| Principal                 | \$216 |
| Project Executive         | \$196 |
| Senior Vice President     | \$180 |
| Project Manager           | \$170 |
| Assistant Project Manager | \$150 |
| Project Engineer          | \$ 98 |

B. Reimbursable Expenses

Reimbursable expenses reasonably incurred by Consultant in the performance of services under this Agreement shall be reimbursed by City. These expenses may include only the following: delivery, messenger services plus 10%, and parking at actual cost; photocopying at 10¢ per page and mileage, adjusted to I.R.S. standard rate, currently \$0.485 per mile. In addition, City shall reimburse Consultant for the cost of the premium to carry Professional Liability Insurance, up to a maximum amount of \$28,648. Other reasonable expenses incurred in the performance of this Agreement may be reimbursed with the prior written approval of the City Representative, City Manager or his designee.

City shall pay Consultant for its expenses incurred in the performance of authorized services in amounts equal to the rates outlined above. These rates shall be fixed until June 30, 2009 and shall be adjusted annually thereafter as follows: Beginning January 1, 2008, the rates shall be adjusted in accordance with the increase, or decrease, in the Los Angeles-Long Beach Consumer Price Index for All Urban Consumers, published by the U.S. Bureau of Labor Statistics ("CPI"). The change in the CPI shall be the percentage difference between the CPI for the month of January 2007 and the month of January 2008 and the first month of each subsequent year.