



AGENDA REPORT

Meeting Date: February 2, 2010
Item Number: F-14
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: Agreement (1)

Item A. APPROPRIATION OF FUNDS IN THE AMOUNT OF \$5,561,120 FOR TENANT IMPROVEMENTS AND LEASING AND MARKETING OF THE 331 FOOTHILL ROAD OFFICE BUILDING

RECOMMENDATION

Staff recommends that the City Council move to appropriate funds in the amount of \$5,561,120 from the Capital Asset Fund Balance to the 331 Foothill Road Office CIP program for leasing and marketing as follows:

FROM		TO	
\$5,561,120	Capital Asset unrestricted balance 08-30000	\$5,561,120	331 Foothill Road Officer Building Capital Project
			11080888

INTRODUCTION

The 331 Foothill Road Office building is currently under construction with completion anticipated in March 2010. The overall budget for the project is \$31,120,000 and staff has brought forward a request for the appropriation of the building construction costs of \$22,418,316 separately.

Staff is now requesting the appropriation of the budgeted funds for the marketing and leasing of the project for \$5,561,120.00. Based on the project proforma, these funds

were budgeted for the costs associated with leasing the building such as tenant improvement allowances, broker commissions, construction consulting services, architectural services associated with tenant improvements and miscellaneous base building work such as the installation of demising walls and common corridors.

DISCUSSION

On December 1, 2009, Council approved a lease for the 331 Foothill Road Office Building with Participant Media which includes a tenant improvement allowance and broker commission. Staff continues to negotiate for additional tenants to occupy the balance of the building and each new lease will require a tenant improvement allowance. Every lease and the associated costs will be submitted to City Council individually for approval.

FISCAL IMPACT

These funds are and have been a part of the total projected project cost. To continue through project completion these funds need to be appropriated. Funds are available for this purpose.

Item B. APPROVE A CHANGE ORDER IN THE AMOUNT OF \$100,000 TO THE PURCHASE ORDER TO JSLS, INC. FOR BUSINESS REGISTRATION COLLECTION SERVICES FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$175,000

RECOMMENDATION

Staff recommends that the City Council approve a change order in the amount of \$100,000 to the purchase order to JSLS, Inc. for business registration collection services for a total not-to-exceed amount of \$175,000.

INTRODUCTION

JSLS, Inc. has been with the City since 2006. The vendor provides revenue collection services through discovery of non-compliant businesses within the City of Beverly Hills. Their services have been contracted for four years and are considered an important aspect of the City's revenue collection program.

DISCUSSION

The current purchase order issued is \$75,000. The additional \$100,000 is needed to cover the debt collection services for fiscal year 2009-2010.

FISCAL IMPACT

Funds are available from the discovery of new or additional revenue from collection of business tax from non-compliant businesses.

Item C. APPROVAL OF AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND STEGEMAN & KASTNER, INC. FOR CONSULTANT SERVICES RELATED TO THE GARDENS BUILDING; AND,

APPROVAL OF A CHANGE ORDER IN THE AMOUNT OF \$49,580 TO THE PURCHASE ORDER FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$98,940

RECOMMENDATION

Staff recommends that the City Council approve Amendment no. 1 to the agreement and a change order in the amount of \$49,580 to Stegeman & Kastner, Inc. for consultant services related to the Gardens Building for a total not-to-exceed amount of \$98,940.

INTRODUCTION

In June 2009, the City Manager approved Agreement no. 216-09 between the City and Stegeman & Kastner, Inc. for consulting services related to tenant improvements within the Gardens Building and a purchase order for a not-to-exceed amount of \$49,360.

Amendment No. 1 and the change order request for \$49,580 will bring the contract consideration to a total not-to-exceed amount of \$98,940.

DISCUSSION

Stegeman & Kastner, Inc. will assist staff and potential tenants with the tenant's specific space requirements and the tenant improvement construction process from design to occupancy.

A one-time cost of \$49,580 will be incurred due to this agreement modification.

FISCAL IMPACT

Funds were budgeted and are available in the Tenant Improvement Program (11810349-85040) funds for this purpose.

Item D. APPROVAL OF A PURCHASE ORDER IN THE AMOUNT OF \$175,131.00 TO MEASUREMENT CONTROL SYSTEMS FOR THE PURCHASE OF NEPTUNE WATER METERS AND BOXES FOR NEW INSTALLATIONS AND CUSTOMER REQUESTED UPGRADES

RECOMMENDATION

Staff recommends that the City Council approve a purchase order in the amount of \$175,131.00 to Measurement Control Systems for the purchase of Neptune water meters and boxes for new installations and customer requested upgrades.

INTRODUCTION

On January 29, 2008, the City entered into a contract with Measurement Control Systems (sole vendor for the Neptune water meter in the State of California) for the purchase and installation of the Neptune and Hexagram solutions for the replacement of water meters.

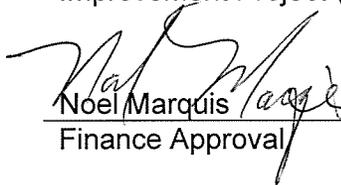
DISCUSSION

Public Works Water Utilities began a complete change-out of all water meters to Neptune water meters with e-coders in January 2008. To maintain consistency and reliability with the City's new water meter system staff recommends the purchase of Neptune water meters, e-coders, and other materials for new installations and completing capital improvement projects.

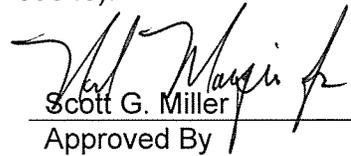
The new water meter installations and customer requested upgrades will increase annual revenue billings due to improved accuracy of the meters.

FISCAL IMPACT

Funds were budgeted and are available in the Water Enterprise Fund Operational (8006006-72050) and Capital Budget as well as Street Improvement Capital Improvement Project (195-85050 and 35800387-85040).



Noel Marquis
Finance Approval



Scott G. Miller
Approved By

AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE CITY OF
BEVERLY HILLS AND STEGEMAN & KASTNER, INC. FOR
CONSULTANT SERVICES RELATED TO THE GARDENS BUILDING

NAME OF CONTRACTOR: Stegeman & Kastner, Inc.

RESPONSIBLE PRINCIPAL OF CONTRACTOR: Fritz W. Kastner, Chief Executive Officer

CONTRACTOR'S ADDRESS: 2601 Ocean Park Blvd., Suite 300
Santa Monica, CA 90405

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: Scott G. Miller, Director of
Administrative Services/Chief Financial Officer

COMMENCEMENT DATE: Upon execution of this Agreement

TERMINATION DATE: June 1, 2010

CONSIDERATION: Not to exceed \$49,360 (original Agreement) and ,
not to exceed \$49,580 (Amendment No. 1), based
on the hourly rates set forth in Exhibit B-1

Total not to exceed \$98,940

AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE CITY OF
BEVERLY HILLS AND STEGEMAN & KASTNER, INC. FOR
CONSULTANT SERVICES RELATED TO THE GARDENS BUILDING

This Amendment No. 1 is to that certain Agreement between the City of Beverly Hills (hereinafter called "CITY"), and Stegeman & Kastner, Inc. (hereinafter called "CONSULTANT") dated June 9, 2009 and identified as Contract No. 216-09 "Agreement".

RECITALS

- A. CITY desires to have certain services provided (the "services") as set forth in Exhibit A, attached hereto and incorporated herein.
- B. CONSULTANT represents that it is qualified and able to perform the services.
- C. CITY desires to amend the Termination Date, the Consideration and the Scope of 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 amended as set forth above.
- Section 3. Section 3 of the Agreement entitled "Compensation" shall be amended to read as follows.

"Section 3. CITY agrees to compensate CONSULTANT, and CONSULTANT agrees to accept in full satisfaction for the services required by this Agreement an amount not to exceed Forty-Nine Thousand Five Hundred Eighty Dollars (\$49,580) as an amendment to the original contract amount of Forty-Nine Thousand Six Hundred Thirty Dollars (\$49,630) for a grand total of Ninety-Eight Thousand Nine Hundred Forty Dollars (\$98,940) based on the rates set forth in Exhibit B-1, attached hereto and incorporated herein. CITY shall pay CONSULTANT in

accordance with the schedule of payment set forth in Exhibit B-2 attached hereto and incorporated herein.."

Section 4. Exhibit A, "Scope of Services," shall be amended as attached hereto and incorporated herein.

Section 5. Except as specifically amended by this Amendment No. 1, the remaining provisions of the Agreement shall remain in full force and effect.

EXECUTED the ____ day of _____ 20____, at Beverly Hills, California.

CITY OF BEVERLY HILLS, a municipal corporation

NANCY KRASNE
Mayor of the City of Beverly Hills, California

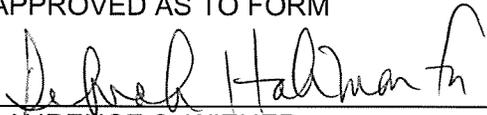
ATTEST:

BYRON POPE
City Clerk

CONSULTANT:
STEGEMAN & KASTNER, INC.

FRITZ W. KASTNER
Chief Financial Officer

APPROVED AS TO FORM

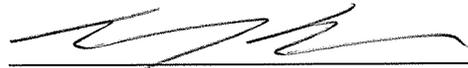


LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT



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



KARL KIRKMAN
Risk Manager

EXHIBIT A
SCOPE OF SERVICES

PRE-DESIGN PHASE

Existing Conditions:

CONSULTANT will assist the CITY and CITY's potential tenants in understanding the buildings architectural, structural, MEP systems. CONSULTANT will assist the CITY and potential tenants in evaluating existing conditions.

Modifications to Shell & Core:

Evaluate potential changes as proposed by CITY or tenant and advise of cost and schedule impacts.

Coordinate work with S&C Design team and Contractor in implementing tenant desired changes to the building and it's systems.

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

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

Program Evaluation:

CONSULTANT will assist the CITY and CITY's consultants in the evaluation, development and revision as necessary of Tenant's Project Program.

Criteria Development:

CONSULTANT will, with the participation of CITY and the CITY's consultant, assist CITY in developing their technical criteria for incorporation into the project design.

Programmer Selection (if required):

To the extent that the CITY will require tenant improvements not part of the basic building contract, CONSULTANT will, with CITY's participation and concurrence, select space programmer and negotiate an Agreement. Manage the programming of CITY's space requirements.

General Assistance:

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

DESIGN PHASE

Process Management:

Review Tenant's Program objectives and assist in controlling the impact on S&C of the architectural and engineering design effort throughout the design process.

Team Direction:

To the extent that tenant's activities impact the S&C, CONSULTANT will, with participation of the CITY, manage and oversee the activities of the Project Team and help keep the focus of the team's activities in concert with the CITY's project goals. CONSULTANT will, on behalf of the CITY, issue and implement authorizations and directives to the consultants.

Review of Conceptual Design:

CONSULTANT will review, with the participation of the CITY, concept drawings prepared by Tenant's 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 will review, with the participation of the CITY, schematic design drawings prepared by the A&E 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 approval.

Review of Design Development:

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

Review of Construction Documents:

CONSULTANT will review the construction documents with the A & E team, secure the CITY's decisions as required and review the drawings for completeness. CONSULTANT will 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 authorizations, schedules goals and objectives and for consistency with desired levels of construction finishes and sound construction practice.

Contract Administration:

CONSULTANT will monitor the performance of all project participants under the various contracts and, to the extent these contracts relate to S&C work, review and recommend for approval all billings in connection with them. CONSULTANT will review and negotiate requests

for extra service authorizations and make the appropriate recommendations for approval or disapproval to the CITY.

Project Schedule:

CONSULTANT will, together with the Architect and the CITY, develop a Project Master Schedule for the coordination of the various Tenant's construction schedules in order to minimize interference between the various Tenant contractors. This schedule will 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 will review the project budget proposed by the CITY and will refine the information to reflect direct and indirect costs, Owner direct purchases, and appropriate contingencies relative to the budget, to ascertain that it reflects the cost of the CITY's special provisions to facilitate the 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 required by the CITY; CONSULTANT will establish allowances, qualifications, and exclusion from this budget and confirm the appropriateness of the construction contingency included in the budget vis-à-vis the amount of information contained in the project documents. CONSULTANT will periodically update this budget.

Design Meetings:

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

Client Meetings:

CONSULTANT will meet regularly with the CITY and the Tenants to discuss the progress of the design and to review contract, schedule, budget and construction issues. CONSULTANT will 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 modifications to the S&C, CONSULTANT will 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

Competitive Bid General Contractors:

CONSULTANT will review and approve Tenant's list of proposed general contractors, observe the selection process and oversee the conduct of the competitive bidding process. CONSULTANT will participate in the development of bid instruction to the extent the proposed work impacts the S&C and together with the Architect conduct a pre-bid conference.

To the extent bidder's work relates to the S&C, CONSULTANT will manage the response to bidders questions and review addenda to the bid documents prior to release to bidders.

CONSULTANT will participate in the review of bids received and the tabulation of bid results.

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

General Contractor Procedures:

To the extent the work relates to S&C, CONSULTANT will 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 will assist in coordination of this contract with other Tenants construction schedules.

Change Order Control:

To the extent the work relates to the S&C, CONSULTANT will review requests for changes, whether requested by the CITY, Architect, General Contractor or Subcontractors. CONSULTANT will review the breakdown submitted using the Architect, Engineers and other General Contractors or Subcontractors to check prices as necessary. CONSULTANT will negotiate with the General Contractor, have the Architect finalize and conform the drawings, and CONSULTANT will write the final Change Order for CITY approval.

Cost Report:

To the extent the work relates to S&C, CONSULTANT will 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 desired, CONSULTANT can report on items tracked internally by the CITY, such as indirect costs, other direct purchases, and contingencies.

Pay Requests:

To the extent the work relates to S&C, CONSULTANT will 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 will conduct weekly meetings with the General Contractor, Architect, and the CITY to review construction progress, request for information (RFIs), and review schedules, requested and/or pending changes, and any other current construction issues to assure orderly progress of information and decisions.

Field Observations:

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

Coordination:

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

General Assistance:

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

Estimate Fee Not to Exceed: \$49,850 based on the hourly rates set forth in Exhibit B-1