



## AGENDA REPORT

**Meeting Date:** June 22, 2010

**Item Number:** G-14

**To:** Honorable Mayor & City Council

**From:** Fred Simonson, Maintenance Operations Manager  
Terry Wagner, Facilities Maintenance Manager

**Subject:** APPROVAL OF A CHANGE ORDER TO THE BLANKET PURCHASE ORDER IN THE AMOUNT OF \$7,800 TO KRB CONSTRUCTION FOR EMERGENCY CONSTRUCTION SERVICES FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$56,800

**Attachments:**

1. Amendment No. 2
2. Amendment No. 1
3. Original Agreement

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### RECOMMENDATION

It is recommended that the City Council approve a change order to the blanket purchase order to KRB Construction for emergency plumbing repairs at Coldwater Canyon Fire Station No. 2 in the amount of \$7,800 for a total not-to-exceed amount of \$56,800.

### INTRODUCTION

Facilities Services was contacted by Fire Station No. 2 Captain Solomon regarding water coming out of the ground near the back of their station. KRB Construction was called out to investigate, which required digging up the area of the leak. A large tank that belonged to the former solar hot water system was found and it was the source of the water collecting at the surface. The piping for the solar tank had to be cut off, capped and/or replumbed so that the station could continue to have hot water.

### DISCUSSION

Discovery of the leak at Fire Station No. 2 resulted in valving off the hot water system to stop the leak. The former solar tank system utilized an older technology and the copper/galvanized pipes and fittings were subject to significant corrosion as well as lifting from tree roots. KRB responded quickly and made permanent repairs to the system. During the investigation of the water system, KRB determined that a double

check valve had failed and was replaced during the project eliminating a cross-connection issue for the facility.

KRB's fiscal year 09-10 blanket purchase order amount was \$35,000. An earlier change order in the amount of \$14,000 was made to pay for repairs done at the 265 S. La Peer residence. This change order request of \$7,800 for emergency plumbing repairs at Fire Station No. 2 exceeded the \$50,000 blanket limit and therefore requires Council approval.

**FISCAL IMPACT**

Funds of \$7,800 are available in the Facilities Services Division FY 2009-2010 in Fund 8, Program 0805901, Account 73030-Maint & Repair-Non-Auto. .

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

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

# **Attachment 1**

AMENDMENT NO. 2 TO AN AGREEMENT BETWEEN THE CITY OF  
BEVERLY HILLS AND KRB CONSTRUCTION FOR AS-NEEDED  
CONSTRUCTION SERVICES

NAME OF CONTRACTOR: KRB Construction

RESPONSIBLE PRINCIPAL OF CONTRACTOR: Karl Brook, Owner

CONTRACTOR'S ADDRESS: 2774 Sawtelle Boulevard  
Los Angeles, CA 90064

CITY'S ADDRESS: City of Beverly Hills  
455 N. Rexford Drive  
Beverly Hills, CA 90210  
Attention: Terry Wagner, Facilities  
Maintenance Manager

COMMENCEMENT DATE: July 1, 2007

TERMINATION DATE: June 30, 2010

CONSIDERATION: Original: Not to exceed \$ 35,000 per year  
Amendment No. 1: \$14,000  
Amendment No. 2: \$ 7,800  
FY 2009-10: Total not to exceed amount:  
\$56,800.00

AMENDMENT NO. 2 TO AN AGREEMENT BETWEEN THE CITY OF  
BEVERLY HILLS AND KRB CONSTRUCTION FOR AS-NEEDED  
CONSTRUCTION SERVICES

This Amendment No. 1 is to that certain Agreement dated August 21, 2007 and identified as Agreement No. 347-07, as amended by Amendment No. 1 dated January 27, 2010, identified as Agreement No. 31-10 (the "Agreement"), copies of which are on file in the office of the City Clerk, by and between the City of Beverly Hills, a municipal corporation ("CITY") and KRB Construction ("CONSULTANT").

RECITALS

- A. CITY entered into a written agreement with the CONTRACTOR for as-needed construction services, which was previously extended to June 30, 2010.
- B. CITY desires to amend the Consideration for emergency plumbing repairs at Fire Station No. 2 on Coldwater Canyon.

NOW, THEREFORE, the parties hereto do amend the Agreement as follows:

Section 1. The Consideration shall be amended as set forth above.

Section 2. Except as amended by Amendment No.1 and as specifically amended by this Amendment no. 2, the Agreement shall remain in full force and effect.

EXECUTED the 16<sup>th</sup> day of June, 2010 at Beverly Hills, California.

CITY OF BEVERLY HILLS, CALIFORNIA

  
\_\_\_\_\_  
JEFFREY KOLIN  
City Manager

CONTRACTOR: KRB CONSTRUCTION  
ASSOCIATES



KARL BROOK

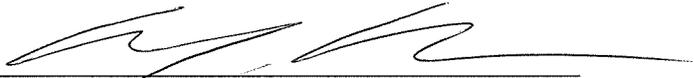
Owner

APPROVED AS TO CONTENT:



DAVID D. GUSTAVSON

Director of Public Works & Transportation



KARL KIRKMAN

Risk Manager

## **Attachment 2**

AMENDMENT NO. 1 TO AN AGREEMENT BETWEEN THE CITY OF  
BEVERLY HILLS AND KRB CONSTRUCTION FOR AS-NEEDED  
CONSTRUCTION SERVICES

NAME OF CONTRACTOR:	KRB Construction
RESPONSIBLE PRINCIPAL OF CONTRACTOR:	Karl Brook, Owner
CONTRACTOR'S ADDRESS:	2774 Sawtelle Boulevard Los Angeles, CA 90064
CITY'S ADDRESS:	City of Beverly Hills 455 N. Rexford Drive Beverly Hills, CA 90210 Attention: Terry Wagner, Facilities Maintenance Manager
COMMENCEMENT DATE:	July 1, 2007
TERMINATION DATE:	June 30, 2010
CONSIDERATION:	Original: Not to exceed \$ 35,000 per year  Amendment No. 1: \$14,000 Total not to exceed amount: \$49,000

AMENDMENT NO. 1 TO AN AGREEMENT BETWEEN THE CITY OF  
BEVERLY HILLS AND KRB CONSTRUCTION FOR AS-NEEDED  
CONSTRUCTION SERVICES

This Amendment No. 1 is to that certain Agreement dated August 21, 2007 and identified as Agreement No. 347-07 (the "Agreement"), copies of which are on file in the office of the City Clerk, by and between the City of Beverly Hills, a municipal corporation ("CITY") and KRB Construction ("CONSULTANT").

RECITALS

- A. CITY entered into a written agreement with the CONTRACTOR for as-needed construction services, which was previously extended to June 30, 2010.
- B. CITY desires to amend the Consideration for the construction work done at 265 S. La Peer Drive.

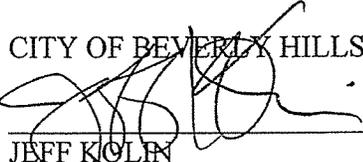
NOW, THEREFORE, the parties hereto do amend the Agreement as follows:

Section 1. The Consideration shall be amended as set forth above.

Section 2. Except as specifically amended by this Amendment, the Agreement dated August 21, 2007 shall remain in full force and effect.

EXECUTED the 27<sup>th</sup> day of January, 2010 at Beverly Hills, California.

CITY OF BEVERLY HILLS, CALIFORNIA

  
\_\_\_\_\_  
JEFF KOLIN  
City Manager

CONTRACTOR: KRB CONSTRUCTION  
ASSOCIATES



KARL BROOK  
Owner

APPROVED AS TO CONTENT:



DAVID D. GUSTAVSON  
Director of Public Works & Transportation



KARL KIRKMAN  
Risk Manager

# **Attachment 3**

AGREEMENT NO.

347-07

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND  
KRB CONSTRUCTION FOR AS-NEEDED CONSTRUCTION  
SERVICES

NAME OF VENDOR: KRB CONSTRUCTION

RESPONSIBLE PRINCIPAL OF VENDOR: Karl Brook, Owner

VENDOR'S ADDRESS: 2774 Sawtelle Boulevard  
Los Angeles, CA 90064

CITY'S ADDRESS: City of Beverly Hills  
455 N. Rexford Drive  
Beverly Hills, CA 90210  
Attention: Terry Wagner, Facilities  
Maintenance Manager

COMMENCEMENT DATE: July 1, 2007

TERMINATION DATE: June 30, 2008, unless extended pursuant to  
Section 2

CONSIDERATION: Not to exceed \$35,000 per year

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND  
KRB CONSTRUCTION FOR AS-NEEDED CONSTRUCTION  
SERVICES

THIS AGREEMENT is made by and between the City of Beverly Hills (hereinafter called "CITY"), and KRB Construction (hereinafter called "VENDOR").

RECITALS

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

B. VENDOR represents that it is qualified and able to perform the services.

NOW, THEREFORE, the parties agree as follows:

Section 1. VENDOR's Services. VENDOR shall perform the services as described in Exhibit A to the full satisfaction of CITY.

Section 2. Time of Performance. VENDOR shall perform the services on or by the Termination Date set forth above. The City Manager or his designee may, in writing, extend the term of the Agreement for one additional two-year period pursuant to the same terms and conditions of the Agreement.

Section 3. Compensation. CITY agrees to compensate VENDOR, and VENDOR agrees to accept in full satisfaction for the services required by this Agreement an amount not to exceed the Consideration set forth above in accordance with the procedure set forth in Exhibit A, attached hereto and incorporated herein. Said Consideration shall constitute reimbursement of VENDOR's fee for the services as well as the actual cost of any equipment, materials, and supplies necessary to provide the services (including all labor, materials, delivery, tax, assembly, and installation, as applicable). CITY shall pay VENDOR said Consideration in accordance with the schedule of payment set forth in Exhibit B-2, attached hereto and incorporated herein.

Section 4. Independent Contractor. VENDOR 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 VENDOR or any of VENDOR's employees, except as herein set forth. VENDOR 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 5. Assignment. This Agreement may not be assigned in whole or in part by either party, without the prior written consent of CITY.

Section 6. VENDOR: Responsible Principal. The Responsible Principal set forth above shall be principally responsible for VENDOR's obligations under this Agreement and shall serve as principal liaison between CITY and VENDOR. Designation of another Responsible Principal by VENDOR shall not be made without the prior written consent of CITY.

Section 7. Personnel. VENDOR represents that it has, or shall secure at its own expense, all personnel required to perform VENDOR's services under this Agreement. VENDOR may associate with or employ associates or subconsultants in the performance of its services under this Agreement, but at all times shall be responsible for their services.

Section 8. Interests of VENDOR. VENDOR 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 services contemplated by this Agreement. No person having any such interest shall be employed by or be associated with VENDOR.

Section 9. Insurance.

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

(b) VENDOR shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive 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 VENDOR in performing the services required by this Agreement.

(c) VENDOR agrees to maintain in force at all times during the performance of work under this Agreement workers' compensation insurance as required by law.

(d) 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.

(e) VENDOR 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 VENDOR's expense, the premium thereon.

(f) At all times during the term of this Agreement, VENDOR 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. VENDOR shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The policies of insurance required by this Agreement 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.

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

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

Section 10. Indemnification. VENDOR 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 VENDOR or any person employed by VENDOR in the performance of this Agreement.

Section 11. Termination.

(a) CITY may cancel this Agreement at any time upon five (5) days written notice to VENDOR. VENDOR 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 VENDOR, VENDOR shall be paid full compensation for all services performed by VENDOR, in an amount to be determined as follows: For work done in accordance with all of the terms and provisions of this Agreement, VENDOR shall be paid an amount equal to the amount of services performed prior to the effective date of termination or cancellation; provided, in no event shall the amount of money paid under the foregoing provisions of this paragraph exceed the amount which would be paid VENDOR for the full performance of the services required by this Agreement.

Section 12. Prevailing Wages VENDOR shall pay all workers employed on the projects performed under this Agreement the general prevailing rate of wages in accordance with the California Labor Code.

Section 13. Notice. Any notice required to be given to VENDOR shall be deemed duly and properly given upon delivery, if sent to VENDOR postage prepaid to the VENDOR's address set forth above or personally delivered to VENDOR at such address or other address specified to CITY in writing by VENDOR.

Any notice required to be given to CITY shall be deemed duly and properly given upon delivery, if sent to CITY postage prepaid to CITY's address set forth above or personally delivered to CITY at such address or other address specified to VENDOR in writing by CITY.

Section 14. Entire Agreement. This Agreement represents the entire integrated agreement between CITY and VENDOR, 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 VENDOR.

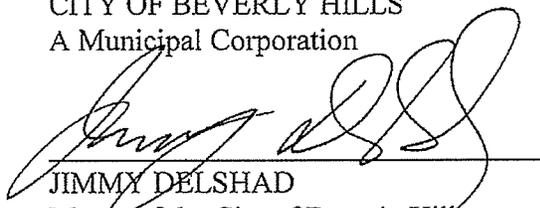
Section 15. Licenses and Permits. VENDOR agrees to maintain in effect at all times valid local, state and federal licenses and permits.

Section 16. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

Section 17. 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 21<sup>st</sup> day of August, 2007, at Beverly Hills, California.

CITY OF BEVERLY HILLS  
A Municipal Corporation

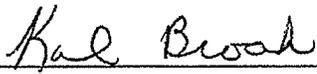
  
\_\_\_\_\_  
JIMMY DELSHAD  
Mayer of the City of Beverly Hills,  
California

ATTEST:

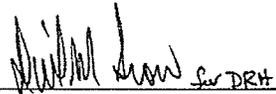
  
\_\_\_\_\_  
BYRON POPE (SEAL)  
City Clerk

[Signatures Continue]

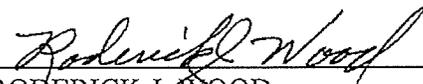
VENDOR:  
KRB CONSTRUCTION

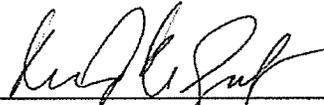
  
\_\_\_\_\_  
KARL BROOK  
Owner

APPROVED AS TO FORM:

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

APPROVED AS TO CONTENT:

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

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

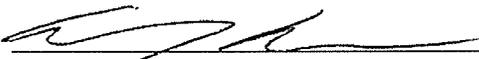
  
\_\_\_\_\_  
KARL KIRKMAN  
Risk Manager

EXHIBIT A  
SCOPE OF SERVICES

VENDOR shall perform construction services relating to the maintenance and repair of the various CITY facilities as needed. Upon CITY's request, VENDOR shall submit to CITY a written proposal which shall contain the proposed scope of work, performance schedule and price for such work. CITY shall issue a written notice to proceed which contains the commencement and termination dates for each project upon acceptance of VENDOR's proposal.

EXHIBIT B

Schedule of Payment

VENDOR shall submit an itemized statement to CITY for its services performed, which shall include documentation setting forth in detail a description of the services rendered. CITY shall pay VENDOR the amount of such billing within thirty (30) days of receipt of same.



**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**

- A.
- B.
- C.

**ADDRESS**

COMPANY (A. B. C.)	COVERAGE	POLICY NUMBER	EXPIRATION DATE	LIMITS		
				B.I.	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"/> WORKERS' COMPENSATION <input type="checkbox"/>					

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

TITLE: \_\_\_\_\_

AGENCY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_