



AGENDA REPORT

Meeting Date: April 5, 2011
Item Number: F-12
To: Honorable Mayor & City Council
From: Alan Schneider, Director of Project Administration
Subject: APPROVAL OF AMENDMENT NO. 4 TO THE AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND FRANCIS KRAHE & ASSOCIATES, INC. FOR SOLAR ENERGY SYSTEM MASTERPLAN SERVICES RELATED TO CITY FACILITIES; AND,

APPROVAL OF A CHANGE PURCHASE ORDER IN THE AMOUNT OF \$48,000 TO FRANCIS KRAHE & ASSOCIATES, INC. FOR THESE SERVICES

Attachments: 1. Agreement

RECOMMENDATION

It is recommended that the City Council approve the "Amendment No. 4 to the agreement with Francis Krahe & Associates, Inc. for solar energy system masterplan services related to City facilities", and approve a Change Purchase Order in the amount of \$48,000 for these services. The total compensation for the services under this agreement and amendments is \$170,000.

INTRODUCTION

In October 2009, staff engaged the services of Francis Krahe & Associates (Francis Krahe) to develop a solar energy feasibility masterplan for City facilities. These services provided a comprehensive analysis to define the performance and design criteria, which would optimize the implementation of solar energy systems at nine potential City sites

Subsequent amendments to the agreement provided continued services for program development, preparation of the Request for Proposal, evaluation of the submitted proposals and coordination and negotiation of the solar energy contract. On November 30, 2010, the City Council approved an agreement with Sun Light & Power for installation of a combined solar energy system on the Police Facility, Library and Civic Center garage roofs.

DISCUSSION

The proposed Amendment No. 4 to the agreement will provide the necessary consultant services to complete this project. The services include the following phases:

- Pre-construction: review and approve the construction documents prepared by Sun Light & Power; coordinate the drawing submittals, plan review, building department and other department coordination.
- Construction: attend project meetings; provide weekly observation reports to summarize the progress of construction performed by Sun Light and Power; and assist City staff in evaluating changes or construction conflicts.
- Post-construction: review and approve the installation of the photovoltaic system; coordinate the system commissioning; and interface with Southern California Edison to energize the system and secure the renewable energy generation for the "R" type utility rate electric meter.

The fee proposal for the above consultant services is on an hourly basis, not to exceed \$48,000.

The schedule of services follows the implementation schedule submitted by Sun Light & Power with pre-construction activities through April 2011, construction and installation through June 2011 and post-construction through September 2011.

FISCAL IMPACT

The Capital Improvement Program (CIP) budget for FY 2010-11 includes funding for this solar energy consultant services.



Scott G. Miller
Finance Approval



David D. Gustavson
Approved By

Attachment 1

AMENDMENT NO. 4 TO THE AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND FRANCIS KRAHE & ASSOCIATES, INC. FOR SOLAR ENERGY SYSTEM MASTERPLAN SERVICES RELATED TO CITY FACILITIES

NAME OF CONSULTANT: Francis Krahe & Associates Inc.

RESPONSIBLE PRINCIPAL OF CONSULTANT: Le Nguyen, Vice President

CONSULTANT'S ADDRESS: 304 South Broadway, Suite 500
Los Angeles, CA 90013
Attention: Le Nguyen, Vice President

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: David Gustavson
Director of Public Works & Transportation

COMMENCEMENT DATE: Upon Written Notice To Proceed

TERMINATION DATE: December 31, 2011

CONSIDERATION: Original Agreement: Not to exceed \$30,000.00 as described in Exhibit B; and reimbursable expenses not to exceed \$3,000, as more particularly described in Exhibit B; Contingency for additional work not to exceed \$3,000.00, as more fully described in Exhibit B; Total not to exceed \$36,000

Amendment No. 1: Not to exceed \$14,000.00, including all reimbursable expenses as more fully described in Exhibit B; Total not to exceed \$50,000

Amendment No. 2: Not to exceed \$32,000.00, including all reimbursable expenses as more fully described in Exhibit B; Total not to exceed \$82,000

Amendment No. 3: Not to exceed \$40,000.00, including all reimbursable expenses as more fully described in Exhibit B; Total not to exceed \$122,000

Amendment No. 4: Not to exceed \$48,000.00, including all reimbursable expenses as more fully described in Exhibit B; Total not to exceed \$170,000.00

AMENDMENT NO. 4 TO THE AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS
AND FRANCIS KRAHE & ASSOCIATES INC. FOR SOLAR ENERGY SYSTEM
MASTERPLAN SERVICES RELATED TO CITY FACILITIES

THIS AMENDMENT NO. 4 is to the certain agreement between the CITY of Beverly Hills (hereinafter called "CITY"), and Francis Krahe & Associates Inc. (hereinafter called "CONSULTANT") dated October 22, 2009 and identified as Contract No. 406-09, as amended by Amendment No. 1 dated January 19, 2010 and identified as Contract No. 29-10, Amendment No. 2 dated June 3, 2010 and identified as Contract No. 213-10, and Amendment No. 3 dated October 15, 2010 and identified as Contract No. 455-10.

RECITALS

A. CITY entered into a written agreement with CONSULTANT dated October 22, 2009 for master planning solar energy systems for various CITY facilities.

B. CITY desires CONSULTANT to perform additional services in connection with development of a Solar Energy Request For Proposal for selected project locations at 345 Foothill Road, 464 North Rexford Drive and 444 North Rexford Drives (the "Sites"), extend the Termination Date, increase the scope of services and increase the Consideration for the additional services.

NOW, THEREFORE, the parties agree as follows:

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

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

Section 3. Exhibit A, "Scope of Work", shall be amended as attached hereto and incorporated herein.

Section 4. Exhibit B, "Schedule of Payment and Rates", shall be amended as attached hereto and incorporated herein.

Section 5. Except as specifically amended by this Amendment No. 4, the Agreement dated October 22, 2009 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the
_____ day of _____ 201_, 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: FRANCIS KRAHE &
ASSOCIATES, INC.



FRANCIS J. KRAHE
President & Secretary

APPROVED AS TO FORM:



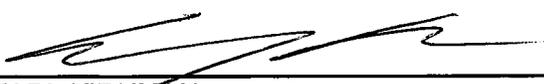
LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

JEFFREY KOLIN
City Manager



DAVID D. GUSTAVSON
Director of Public Works & Transportation



KARL KIRKMAN
Risk Manager

EXHIBIT A

SCOPE OF WORK

CONSULTANT, under the direction of the CITY'S Project Manager, shall perform the following services:

ORIGINAL AGREEMENT:

Scope of Work

The project includes the following potential Solar Energy Facility Sites:

- Public Works 3rd St Garage – 9333 W. 3rd St.
- Public Works Facility & Water Treatment Plant – 345 Foothill Road
- Public Works Fleet Services Center – 9333 W. 3rd St.
- Library – 444 N. Rexford Drive
- Police Facility & Bridge Area – 464 N. Rexford Drive
- Fire Station Headquarters – 445 N. Rexford Drive
- CITY Hall – 455 N. Rexford Drive
- Santa Monica 5 Parking Garages – between Beverly Dr. & Linden Ave
- Additional Building Locations to be considered an Additional Service

Part 1: Feasibility Study and Report (Completed)

CONSULTANT will provide to the CITY a comprehensive analysis and report to define the performance and design criteria which optimize the implementation of the Solar Energy Systems. This analysis will include evaluation of operating efficiency, durability, maintenance costs, construction schedule, appearance, neighborhood and environmental impact, construction compatibility, coordination with existing building systems, total life system cost (equipment, installation, maintenance) and potential energy savings, rebates or incentives. CONSULTANT will collaborate and coordinate with the CITY's Project Manager, and other CITY personnel to define the project goals, financial criteria, and other critical factors to be utilized in the analysis. CONSULTANT will prepare all required calculations, studies, evaluations, and analysis as required to determine the relative performance characteristics for each site and vendor. Based upon the analysis the CONSULTANT will prepare recommendations to the CITY to define feasible projects for implementation.

AMENDMENT NO. 1:

CONSULTANT shall perform the following additional services:

Part 2: Preparation of Request For Proposal (RFP)

CONSULTANT will provide Design Guidelines and Financial Model for each Solar Energy Facility Site. Schematic Design Guidelines for each Facility will document existing electrical system components and utility service to facilitate accurate proposals within the RFP process.

Approximate Timeline for Completion:

- Financial Model Report (15 calendar days):

CONSULTANT will provide Financial Model Report that outlines the criteria for evaluation of Cost and Benefit for Public vs. Public/Private Projects

Deliverables include financial review of:

1. 25 Year Cash Flow Analysis for Public and Public Private Systems. Analysis to Cost and Benefit for publicly vs. privately owned Solar Energy System to include: Reduced Energy Payments, Operating Income, Total Cash Flow After Debt, Cumulative Return On Capital, Cash Operating Income, After Tax Cash Flow, and Cap Rate Analysis For Years 1, 6, And 11
2. Solar Energy System Financial Analysis and Report will provide comparison of financial impact of incentives and rebates for Public and Private Entities and impact of financial viability per location
3. Solar Energy System Financial Analysis and Report will identify advisory benchmarks that show (1) potential reduction in purchase of electricITY and (2) potential financial benefit from PPA and Publicly Owned Solar Energy Systems.

- Design Guideline (15 calendar days):

CONSULTANT will provide Design Guidelines for each potential site area, location of inverters and connect to utility grid as well as minimum system efficiency and capaCITY. CONSULTANT will prepare documents that outline Solar Energy System design guidelines to meet the CITY's operating energy and cost objectives.

Deliverables for this phase of the work will include:

1. Solar Energy System Design Report summarizing preliminary site and building lighting concepts, pertinent site and installation sketches, relevant photographs of similar installations, schematic selection of system components (catalogue data), preliminary roof plans (scale 1/16"=1'-0") prepared as a Solar Energy layer in Auto cad 2006 referencing the current drawings, sketch details of system mounting, an outline specification, and a preliminary budget estimate.
 2. CONSULTANT will provide documents for a 50% review meeting with the CITY. After review and approval by the CITY, the design guidelines will be presented for 100% review and approval to the CITY by the CONSULTANT.
 3. Two (2) Meetings at the CITY's offices in Beverly Hills are included in the Design Guidelines Phase.
- RFP Preparation (45 calendar days):
 1. CONSULTANT will summarize and outline Design Guidelines for compliance by photovoltaic integrators and manufactures.
 2. CONSULTANT will prepare a RFP based on Schematic Design Guidelines and Performance Criteria for the approved potential property location(s) designated by the CITY which meet the feasibility and performance criteria for facilities identified above.

AMENDMENT NO. 2:

Part 3: Implement Request For Proposal (RFP)

1. Notice of Intent to issue RFP (Completed)
2. RFP issued to Respondents (Completed)
3. Onsite bidders conference – CONSULTANT will conduct the pre-bid conferences with prospective respondents including site visits to provide clarification concerning the terms and conditions of the RFP.
4. Questions from Respondents regarding RFP – CONSULTANT will respond to requests for information and provide technical data as appropriate.
5. Proposals due back from Respondents

RFP for CITY Facilities

(Locations referenced in Beverly Hills Solar Energy Feasibility Study and Report)

- Public Works Facility & Water Treatment Plant – 345 Foothill Road
- Library – 444 N. Rexford Drive
- Police Facility & Bridge Area – 464 N. Rexford Drive
- Public Works 3rd St Garage – 9333 W. 3rd St.
- Fleet Services Center – 9333 W. 3rd St.
- Civic Center Parking Garage – 450 N. Rexford Drive

Part 4: Bid Review

CONSULTANT will review the vendors' itemized cost proposals for construction and implementation of the Solar Energy System. Cost proposals will include acquisition, installation, and commissioning of all components of the Photovoltaic Energy System, including photovoltaic panels, DC cables and collector panels, inverters, AC distribution panels (for system connection directly to the CITY Buildings), and/or connection to the Network system grid (for system connection to the public utility). CONSULTANT will establish evaluation criteria, in consultation with CITY of Beverly Hills, to rank proposals based on CITY priorities.

CONSULTANT Submits Proposal Review and Evaluation to CITY

Deliverables:

- Solar Energy System Proposal Report
- Summarize cost and benefit of all proposals
- Confirm financial and energy production claims of all proposals
- Financial Analysis of Proposals, based on 25 year production
- 2 Meetings with CITY Staff

RFP Respondent selections made, and CONSULTANT informs all Respondents

Part 5: Project Implementation

CONSULTANT will review and recommend terms of agreement between the CITY and Approved Respondent. CONSULTANT will review and approve construction documents, permit submittals, and incentive applications provided by Approved Respondent, as representative of the CITY. CONSULTANT will review and approve installation and commissioning of Photovoltaic Systems.

AMENDMENT NO. 3:

CONSULTANT shall perform the following additional services:

Based on the September 16, 2010 Technology Committee meeting, it was decided that three finalists should provide refined design-build proposals with their best financing term offer. The solar PV panel arrays from three locations (Police Facility, Civic Parking Structure, and Library) will be feed into the Library's electric meter. By consolidating these arrays onto one meter, the City would meet the 15% renewable energy requirement to take advantage of Southern California Edison's Type "R" renewable energy tariff. This rate is expected to generate the greatest off-set of utility expenses.

The three finalists are identified as (1) Sun Power and Light, (2) PetersenDean, (3) DRI Energy. Sun Power and Light was selected because of the low cost financing offer, Petersen Dean and DRI Energy were selected because of their low system costs, but also showed capacity for provide a financing structure.

It was also noted that in order to capitalize on the Federal Tax Credit (utilized in a Lease scenario) the project must be started before the end of 2010.

The following is the anticipated scope of work. Due to the possibility of variations among the three finalists in the proposed scopes of work, CONSULTANT's services shall be based on an hourly rate not to exceed fee.

Part A: THREE (3) RFP FINALISTS CLARIFICATIONS

1. Prepare outline for finalist submittal
2. Participate in field review with all three finalists
3. Work with Beverly Hills Southern California Edison's Representative to verify projected savings
4. Assist in negotiations of contract and other agreements with finalists, City staff and any other City designated legal and financial advisors
5. Coordinate work with City's Roofing Consultant, Electrical and Structural Engineers
6. Coordinate California Solar Initiative Application
7. Provide final proposals summary memorandum
8. Coordinate agreement milestones and provide meeting notes
9. Develop Construction Manual with Rules and Regulations
10. Attend site review, meetings and field coordination, as required
11. Provide Communications to RFP bidders

Part B: FINALIST COORDINATION AND NEGOTIATIONS

Once finalist is identified CONSULTANT will work with the City to negotiate Solar Contractor Service Agreement, Lease or Purchase Agreement. The Service Agreement is intended accelerate the design and engineering portion of the Final Solar Contract Agreement to provide additional time for filing of Incentives and Tax Credits.

1. Once Finalist is identified, CONSULTANT will coordinate the CSI application and submit check deposit request from the City of Beverly Hills.
2. Coordinate preparations of Construction Exhibits for Agreement—origination of these documents are to be provide by the Solar Contractor
3. Coordinate with City Departments
4. Coordinate discussions of Design Criteria and Scheduling
5. Attend meetings, as required
6. Provide meetings notes

Part C: Construction Coordination (Not a Part of this Agreement)

AMENDMENT NO. 4:

CONSULTANT shall perform the following additional Construction Coordination services:

Based on the City Council's approval of the Sun Light and Power's Solar PV Proposal (and subsequent Lease Agreement with City National Bank), CONSULTANT will coordinate the drawing submittals, plan review, building department and other department coordination. CONSULTANT will attend project meetings, provide weekly observation reports to summarize the progress of construction performed by Sun Light and Power, and will report to Project Administration Director.

The latest Sun Light and Power Schedule outlines the following phases:

1. Pre-Construction (11/19/10 to 4/25/11)
2. Construction (4/26/11 to 6/24/11)
3. Post Construction (6/27/11 to 9/9/11)

CONSULTANT anticipates a minimum of one phone or site meeting per week with approximately 1 to 2 days additional coordination and follow-up work.

Based on this schedule, CONSULTANT proposes the following fees:

1. Pre-Construction \$10,000
2. Construction \$24,000
3. Post Construction \$14,000

CITY acknowledges that they have contracted with Sun Light and Power to provide full engineering and construction services, and Sun Light and Power shall assume all liability for the engineering and safety of their work. CONSULTANT shall not provide any construction services and shall have no liability for the construction, engineering or safety of the Solar PV System or Facility.

EXHIBIT B

SCHEDULE OF PAYMENT AND RATES

Original Agreement:

CITY agrees to compensate CONSULTANT for the work described in Part 1 of Exhibit A, a sum of Thirty Thousand Dollars (\$30,000.00).

Reimbursable Expenses reasonably incurred in the performance of this Agreement shall not exceed Three Thousand Dollars (\$3,000.00).

In the event the CITY requests Additional Services for services outside the scope set forth in Exhibit A, the fee shall be negotiated in advance and set forth in writing, but shall not exceed Three Thousand Dollars (\$3,000.00).

Total fee under this Agreement shall not exceed Thirty Six Thousand Dollars (\$36,000.00).

CONSULTANT shall submit an itemized statement to CITY on a CITY approved form for its services performed, which shall include documentation setting forth in detail a description of the services rendered, and the hours of service, if appropriate. CITY shall pay CONSULTANT the amount of such billing within thirty (30) days of receipt of same.

Payment shall be made upon the satisfactory completion and submission of the deliverables described in Exhibit A.

Reimbursable Expenses

The following costs reasonably incurred in the performance of this Agreement shall be reimbursed by CITY at cost for all out of town travel, including travel to meetings, printing, including in-house plots and copies, reproduction, telephone, delivery, sample fixtures, and models or mockups requested by CITY.

Hourly Rates:

The following hourly rate schedule, effective September 15, 2009 shall apply:

Title	Rates
Principal	\$300.00
Sr. Associate	\$175.00
Associate	\$150.00
Sr. Designer	\$125.00
Project Manager	\$105.00
Project Designer	\$105.00
Designer	\$ 90.00
Draftsperson	\$ 75.00
Technical Staff	\$ 75.00

Amendment No. 1:

CITY agrees to compensate CONSULTANT for the work described in Amendment No. 1 Exhibit A for Part 2 Financial Model Report and Design Guideline, a not to exceed amount of Fourteen Thousand Dollars (\$14,000.00), including reimbursable expenses.

Amendment No. 2:

CITY agrees to compensate CONSULTANT for the work described in Amendment No. 2 Exhibit A for Part 3, Implement Request For Proposal and Part 4, Bid Review, a not to exceed amount of Thirty Two Thousand Dollars (\$32,000.00), including reimbursable expenses based on the hourly rates set forth in this Exhibit.

Amendment No. 3:

CITY agrees to compensate CONSULTANT for the work described in Amendment No. 3 Exhibit A for RFP Finalist Clarifications (Part A), Coordination and Negotiations (Part B), a not to exceed amount of Forty Thousand Dollars (\$40,000.00), including reimbursable expenses based on the hourly rates set forth in this Exhibit.

Amendment No. 4:

CITY agrees to compensate CONSULTANT for the work described in Amendment No. 4 Exhibit A for Construction Coordination Services, a not to exceed amount of Forty Eight Thousand Dollars (\$48,000.00), including reimbursable expenses based on the hourly rates set forth in this Exhibit.

Total fee under this Agreement shall not exceed One Hundred Seventy Thousand Dollars (\$170,000.00).