



AGENDA REPORT

Meeting Date: March 6, 2012

Item Number: H-13

To: Honorable Mayor & City Council

From: Cheryl Friedling, Deputy City Manager for Public Affairs
Megan Roach, Marketing & Economic Sustainability Manager 

Subject: AMENDMENT NO. 2 TO THE AGREEMENT BY AND BETWEEN THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS CONFERENCE AND VISITORS BUREAU FOR PROMOTION OF THE CITY FOR FISCAL YEAR 2011-2012; AND APPROVAL OF A CHANGE PURCHASE ORDER IN THE AMOUNT OF \$100,000 TO THE BEVERLY HILLS CONFERENCE AND VISITORS BUREAU FOR THESE SERVICES

Attachments: 1. Amendment No. 2

RECOMMENDATION

It is recommended that the City Council approve Amendment No. 2 to the agreement by and between the City of Beverly Hills and the Beverly Hills Conference and Visitors Bureau for promotion of the City for Fiscal Year 2011-2012 and approve a change purchase order in the amount of \$100,000 to the Beverly Hills Conference and Visitors Bureau for these services.

INTRODUCTION

On August 16, 2011, the City Council approved a funding agreement with the Beverly Hills Conference and Visitors Bureau for promotion of the City for Fiscal Year 2011-2012. The Beverly Hills Conference and Visitors Bureau ("CVB") is contracted by the City to conduct a variety of tourism and marketing programs promoting Beverly Hills.

On December 19, 2011, the City Council approved Amendment No. 1 to the agreement with the CVB to provide \$70,000 in matching funding for Sparkle 90210.

The City is currently constructing a new building at 9400 Santa Monica Boulevard, with an estimated building shell completion date of mid-March 2012. On February 21, 2012,

the City Council approved a lease with the CVB for a portion of the ground floor of the building to include their offices along with a Visitor Center with an area for retail sales including the sale of City merchandise.

DISCUSSION

At the February 21st study session, the City Council provided direction to staff to prepare Amendment No. 2 to the City's funding agreement with the CVB for a minimum of \$100,000 and a not-to-exceed amount of \$148,714 to fund the build out of office space and the Visitor Center at 9400 Santa Monica Boulevard.

FISCAL IMPACT

The City's Finance Division budgeted \$26,075,000 in Transient Occupancy Tax revenue for Fiscal Year 2011-2012, which results in a base tourism and marketing budget of \$3,725,000 (this does not include the \$420,000 in carryovers from Fiscal Year 2010-2011). This funding is budgeted in the Tourism and Marketing Program account 0101311 and it includes a "buffer/reserve" line item of \$320,000. The City's funding contribution to the CVB shall be a minimum of \$100,000 and shall not exceed \$148,714 for the build out of office space and the Visitor Center at 9400 Santa Monica Boulevard.



Scott Miller
Finance Approval

Cheryl Friedling 

Approved By

Attachment 1

AMENDMENT NO. 2 TO THE AGREEMENT BY AND BETWEEN THE
CITY OF BEVERLY HILLS AND THE BEVERLY HILLS CONFERENCE
AND VISITORS BUREAU FOR PROMOTION OF THE CITY FOR FISCAL
YEAR 2011-2012

NAME OF CONTRACTOR: Beverly Hills Conference and Visitors Bureau

RESPONSIBLE PRINCIPAL OF CONTRACTOR: Julie Wagner, Executive Director

CONTRACTOR'S ADDRESS: 239 S. Beverly Drive
Beverly Hills, CA 90212
Attention: Julie Wagner, Executive Director

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: Cheryl Friedling, Deputy City Manager

CONSIDERATION: Original Agreement Not-to-Exceed: \$1,791,750;
Amendment No. 1: \$70,000; Amendment No. 2:
\$100,000-\$148,714; Total Not-to-Exceed:
\$2,010,464.

AMENDMENT NO. 2 TO THE AGREEMENT BETWEEN THE CITY OF
BEVERLY HILLS AND THE BEVERLY HILLS CONFERENCE AND
VISITORS BUREAU FOR PROMOTION OF THE CITY FOR FISCAL
YEAR 2011-2012

This Amendment No. 2 (this "Amendment") is to that certain Agreement between the City of Beverly Hills, a municipal corporation ("City"), and the Beverly Hills Conference and Visitors Bureau, a non-profit corporation (hereinafter called "Contractor") dated August 16, 2011 and identified as Contract No. 317-11, as amended by Amendment No. 1 dated December 19, 2011 and identified as Contract No. 503-11 ("Agreement").

RECITALS

A. City entered into the Agreement with Contractor in order for Contractor to conduct or participate in promotional, publicity, and advertising activities for the benefit of the City.

B. City and Contractor amended the Agreement by an Amendment No. 1 dated December 19, 2011.

C. City and Contractor desire to further amend the Agreement to include tenant improvement work (the "TI Work") to be completed by Contractor as tenant under a lease between City and Contractor dated February 21, 2012 for space at 9400 Santa Monica Boulevard in Beverly Hills, California (the "Lease") and provide additional funding for such tenant.

NOW, THEREFORE, the parties agree as follows:

Section 1. TI Bids and Estimate. Contractor shall review bid documents with City's Director of Project Administration prior to bidding the work and shall provide copies of all bids received to Director of Project Administration. Contractor has estimated that the cost of the TI

Work, including furniture, fixtures, and equipment shall not exceed \$713,617.90 (the "Estimate"). If the bid of the contractor preferred by Contractor for the TI Work exceeds \$664,904.00, Contractor shall coordinate with Director of Project Administration on value engineering options to reduce the cost to not exceed the Estimate under any circumstances and with the goal of reducing costs below the Estimate if possible.

Section 2. Additional Funding by City. City shall pay to Contractor (in addition to City's obligations under the Lease) a sum of at least \$100,000.00 and no more than \$148,714.00 for application to the costs of the TI Work. This amount shall be paid to Contractor in the same manner as the disbursement of the Lease Tenant Improvement allowance as detailed in the provisions of the Lease.

Section 3. Except as specifically amended by this Amendment, the remaining provisions of the Agreement shall remain in full force and effect.

EXECUTED the ____ day of _____, 2012, at Beverly Hills, California.

CITY OF BEVERLY HILLS
A Municipal Corporation

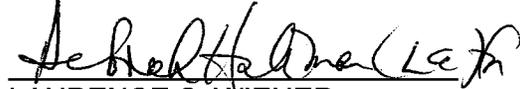
BARRY BRUCKER
Mayor of the City of
Beverly Hills, California

ATTEST:

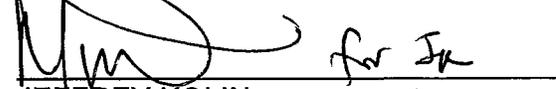
BYRON POPE (SEAL)
City Clerk

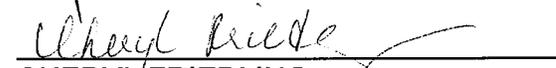
[Signatures continue]

APPROVED AS TO FORM:


LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:


JEFFREY KOLIN
City Manager


CHERYL FRIEDLING
Deputy City Manager


KARL KIRKMAN
Risk Manager

BEVERLY HILLS CONFERENCE AND VISITORS BUREAU:


JULIE WAGNER
Executive Director


BILL WILEY
Chair