



AGENDA REPORT

Meeting Date: April 17, 2012

Item Number: F-12

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: 1.) Agreement

Item A. AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND STEGEMAN & KASTNER, INC FOR CONSULTING SERVICES ON VARIOUS CITY OWNED PROPERTIES

APPROVAL OF A PURCHASE ORDER TO STEGEMAN & KASTNER, INC IN AN AMOUNT NOT TO EXCEED \$81,500

RECOMMENDATION

It is recommended that the City Council approve an agreement with Stegeman & Kastner, Inc. for consulting services on various City owned properties and approve the purchase order in an amount not to exceed \$81,500.

INTRODUCTION

The City currently has an agreement and purchase order with Stegeman & Kastner for consulting services related to tenant and building improvements at various City owned properties. This Amendment No. 1 amends the scope of work for the agreement and increases the number of City owned properties included in the agreement. The original agreement in the amount of \$45,000 included consulting services for the following tenant and building improvements: The Art of Shaving, David Yurman, Monsieur Marcel, The House of Music & Entertainment, and the Gardens building vitrines and retail vacancies.

Meeting Date: April 17, 2012

Amendment No. 1 increases the scope of work to include the following tenant and building improvements: Richemont North America, Whole Foods Market, Beverly/Canon Building 3rd floor tenant improvements and exterior building improvements.

DISCUSSION

Stegeman & Kastner will assist Staff to coordinate, oversee and manage base building repairs and replacements as required. The agreement also provides for consulting services for potential tenants with the tenant's specific space requirements and the tenant improvement construction process from design to occupancy. This agreement is an exception to the public bid requirement because it is a contract for professional services.

FISCAL IMPACT

This one-time cost of \$81,500 is budgeted and will be funded from the Tenant Improvement capital improvement project budget 11810349-85060.



Noel Marquis
Finance Approval



Scott G. Miller
Approved By

Attachment 1

AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE
CITY OF BEVERLY HILLS AND STEGEMAN & KASTNER, INC
FOR CONSULTING SERVICES ON VARIOUS CITY OWNED
PROPERTIES

NAME OF CONTRACTOR: Stegeman & Kastner, Inc.

RESPONSIBLE PRINCIPAL OF CONTRACTOR: Fritz Kastner, CEO

CONTRACTOR'S ADDRESS: 2601 Ocean Park Blvd
Santa Monica, CA 90405
Attn: Fritz Kastner, CEO

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: Brenda Lavender
Real Estate & Property Management

COMMENCEMENT DATE: March 20, 2012

TERMINATION DATE: June 30, 2013

CONSIDERATION: Original Agreement: Professional Fees not to exceed
\$45,000; Reimbursable expenses not to exceed \$1,000

Amendment No. 1: Professional Fees not to exceed
\$34,500; Reimbursable expenses not to exceed \$1,000
based on hourly rates set forth in Exhibit B-1

Total of Original Agreement and Amendment No. 1 not to
exceed \$81,500

AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND STEGEMAN & KASTNER, INC FOR CONSULTING SERVICES ON VARIOUS CITY OWNED PROPERTIES

This Amendment No. 1 is to that certain Agreement between the City of Beverly Hills (hereinafter called "CITY"), and Stegeman & Kastner, Inc (hereinafter called "CONTRACTOR") dated September 20, 2011 and identified as Contract No. 392-11 "Agreement".

RECITALS

A. CITY entered into a written agreement with CONTRACTOR dated September 20, 2011 for consulting services on various CITY owned properties.

B. CITY desires to amend the Agreement to increase the scope of services and increase the compensation for the additional services.

NOW, THEREFORE, the parties agree as follows:

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

Section 2. Exhibit A, "Scope of Work," shall be amended as attached hereto and incorporated herein.

Section 3. Exhibit B, "Schedule of Payment and Rates" shall be amended as attached hereto and incorporated herein.

Section 3. 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 _____ 2012, at Beverly Hills, California.

CITY OF BEVERLY HILLS
A Municipal Corporation

WILLIAM W. BRIEN, M.D.
Mayor of the City of
Beverly Hills, California

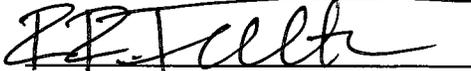
ATTEST:

BYRON POPE
City Clerk

CONTRACTOR: STEGEMAN & KASTNER, INC.

FRITZ KASTNER
Chief Executive Officer

[Signatures continue]


RANDALL FULTON
Treasurer

APPROVED AS TO FORM:


LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT

JEFFREY KOLIN
City Manager


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

KARL KIRKMAN
Risk Manager

EXHIBIT A
SCOPE OF WORK

Original Agreement:

CONTRACTOR shall provide construction management services and project development assistance on an as-needed basis for various CITY owned buildings and tenant improvement projects as described below at the following locations:

The Art of Shaving – 9520 Brighton Way
David Yurman Expansion – 369 N. Rodeo Drive
447 N. Canon Drive
430 N. Camden Drive
Gardens Building Vitrines & Retail Vacancy

Existing Conditions:

1. CONTRACTOR shall assist CITY and CITY's tenants and other contractors in understanding the building's architectural, structural, mechanical, electrical, and plumbing, and fire/life safety systems.
2. CONTRACTOR shall assist CITY and CITY's tenants in evaluating existing conditions.

Scope Modifications to Shell & Core:

1. CONTRACTOR shall evaluate potential changes as proposed by CITY or tenant and advise CITY of cost and schedule impacts.
2. CONTRACTOR shall coordinate tenant's work with base building mechanical, electrical, plumbing and fire life safety systems.
3. CONTRACTOR shall review and evaluate tenant requested changes to building base structure and advise CITY of construction and schedule impacts.

General Assistance:

CONTRACTOR shall be available to CITY to provide any and all project management services CITY requires.

DESIGN PHASE

Process Management:

CONTRACTOR shall review tenants' construction objectives and assist in controlling the architectural and engineering design effort throughout the design process.

Team Direction:

CONTRACTOR shall, with participation of the CITY, manage and oversee the activities of the tenant's contractor and other consultants and help keep the focus of the various project's

activities in concert with the CITY's overall goals. CONTRACTOR shall on behalf of the CITY, issue and implement authorizations and directives to Tenant, tenant's contractor and other consultants.

Review of Conceptual Design:

CONTRACTOR shall review, with the participation of the CITY, concept drawings prepared by the tenant's or building 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:

CONTRACTOR shall review, with the participation of the CITY, schematic design drawings prepared by the Architectural and Engineering 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:

CONTRACTOR shall review, with the participation of the CITY, the development of the design, provide comments and analysis of design and building system features, code compliance, and materials proposed, evaluate the design package for budget and schedule impact, and provide value engineering input prior to CITY's acceptance and approval.

Review of Construction Documents:

CONTRACTOR shall review the construction documents with the Architect and Engineers, secure the CITY's decisions as required and review the drawings for completeness. CONTRACTOR shall 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 budget, schedules, goals objectives and for consistency with desired levels of construction finishes and sound construction practice.

Contract Administration:

CONTRACTOR shall monitor the performance of all project participants under the various contracts and review and recommend for approval all invoices in connection with the various projects. CONTRACTOR shall review and negotiate requests for extra service authorizations and make the appropriate recommendations for approval or disapproval to the CITY.

Project Schedule:

CONTRACTOR shall, together with the Architect and the CITY, develop a Project Master Schedule in coordination with the various project construction schedules. These schedules 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 milestones.

Project Budget:

CONTRACTOR shall review the project budget proposed by the CITY and will refine the information to reflect direct and indirect costs, furniture, fixtures and equipment, Owner direct purchases, and appropriate contingencies relative to the direct (construction) budget, ascertain that it reflects the cost of the CITY's special 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 of the project; CONTRACTOR shall establish allowances, qualifications, and exclusion from this budget and confirm the appropriateness of the construction contingency included in the budget vis-a-vis the amount of information contained in the project documents. CONTRACTOR shall periodically update this budget to reflect the CITY's requirements, and project progression.

Design Meetings:

CONTRACTOR shall interface with the Architect and Engineers through design meetings where CONTRACTOR shall participate in order to gain a thorough understanding of the construction means, methods and materials proposed for the project. CONTRACTOR shall focus on constructability aspects of the design and make recommendations for potential alternates, when appropriate.

Client Meetings:

CONTRACTOR shall meet regularly with the CITY, tenants and other consultants to discuss the progress of the design and to review contract, schedule, budget and construction issues. CONTRACTOR shall advise and make recommendations to the CITY relating to CITY's direction of the design effort.

Value Engineering:

At CITY's request, throughout the development of the architectural and engineering design, CONTRACTOR shall 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

General Contractor:

At CITY's request, CONTRACTOR shall review the qualifications of the General Contractor proposed by tenant and make recommendations. CONTRACTOR shall participate in Pre-Construction meetings.

General Contractor Procedures:

CONTRACTOR shall 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.

CONTRACTOR shall assist in coordination of this Agreement and the various project schedules.

Change Order Control:

At CITY's Request, CONTRACTOR shall review requests for changes, whether requested by the CITY, Architect, General Contractor or Subcontractors. CONTRACTOR shall review the breakdown submitted using the Architect, Engineers and other General Contractors or Subcontractors to check prices as necessary. CONTRACTOR shall negotiate with the General Contractor, have the Architect finalize and conform the drawings, and CONTRACTOR shall write the final Change Order which is subject to CITY approval.

Cost Report:

Upon request, CONTRACTOR shall 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, CONTRACTOR can report on items tracked internally by the CITY, such as indirect costs, furniture, fixture and equipment costs, other direct purchases, and contingencies.

Pay Requests:

CONTRACTOR shall 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:

CONTRACTOR shall participate in regular meetings with the General Contractor, Architect, Tenant and on an as needed basis and review construction progress, request for information (RFIs), and review schedules, requested and/or pending changes, and any other current construction issues to ensure orderly progress of information and decisions. CONTRACTOR shall review RFI's and substitution requests for impact to Shell & Core building systems and provide recommendations to CITY.

Field Observations:

CONTRACTOR shall 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 inspectors, as mandated by applicable laws and governmental regulations.

Final Acceptance:

CONTRACTOR shall 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 various projects in order to facilitate CITY's review and acceptance.

Project Close Out:

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

Coordination:

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

General Assistance:

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

Amendment No. 1

CONTRACTOR shall provide construction management services as outlined above for the following additional properties:

- Richemont North America- 365 N Rodeo Drive – lease tenant improvements
- Whole Foods Market – 239 N. Crescent Drive - lease renewal tenant improvements
- Beverly Canon Building - 439 N. Canon Drive
 - 3rd Floor lease tenant improvements
 - Exterior building improvements

EXHIBIT B

SCHEDULE OF PAYMENT AND RATES

Professional fees for Original Agreement and Amendment No. 1 not to exceed \$79,500 based on the hourly rates set forth below

Reimbursable expenses for Original Agreement and Amendment No. 1 listed below reasonably incurred by CONSULTANT in the performance of the Agreement not to exceed \$2,000

Total Not to Exceed \$81,500

HOURLY RATE SCHEDULE

<u>RATES:</u>	<u>Hourly:</u>
Principal	\$216.00
Project Executive	\$196.00
Senior Project Manager	\$180.00
Project Manager	\$170.00
Assistant Project Manager	\$150.00
Senior Project Engineer	\$105.00
Project Engineer	\$ 98.00

Reimbursable Expense Rates:

Photocopy/Reproduction Rate	\$.10/ per page
Mileage, adjusted to I.R.S. standard rate, currently:	\$.585 / mile
Parking	Cost
Messenger & Delivery Services	Cost + 10%
Travel: Airfare, Hotel, Cab Fares, Rental Car	Cost
Subcontracts	Cost + applicable sales tax