



AGENDA REPORT

Meeting Date: April 7, 2015

Item Number: E-12

To: Honorable Mayor & City Council

From: Chad Lynn, Assistant Director of Public Works Services
Daniel Cartagena, Senior Management Analyst

Subject: AMENDMENT NO. 2 TO AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND ASSOCIATION RESERVES TO PROVIDE A CAPITAL ASSETS INVENTORY STUDY FOR THE DEPARTMENT OF PUBLIC WORKS SERVICES;

AND APPROVAL OF A CHANGE PURCHASE ORDER IN THE AMOUNT OF \$83,495 TO ASSOCIATION RESERVES FOR A NOT TO EXCEED AMOUNT OF \$132,365.

Attachments:

1. Agreement
2. Public Works Administrative Building Reserve Study

RECOMMENDATION

Staff recommends that the City Council move to approve Amendment No. 2 to the agreement between the City of Beverly Hills and Association Reserves to provide a capital assets inventory study for the Public Works Services Department, and approve a Change Purchase Order for this service in the amount of \$83,495. The total cost of this agreement including contingency is for a total not-to-exceed amount of \$132,365.

INTRODUCTION

The Public Works Services (PWS) Department in conjunction with the Capital Assets Department is working to create a comprehensive inventory of the City's building and structure equipment, systems and fixtures so that the departments can develop an effective budget and maintenance management program. The departments will utilize the reports from this study – and those from earlier versions of this agreement - for capital budgeting, resource allocation and inventory and asset control.

In 2010, the Real Estate & Property Management Division (RE&PM) conducted fixed asset inventory study. In 2014, Project Administration engaged a firm to perform a Mechanical, Electrical and Plumbing

(MEP) system analysis for the Police Department (including the Central Plant), Library and the Brighton Parking Structure (9510 Brighton).

To complement the efforts already undertaken, PWS engaged two companies, Association Reserves and AssociationStudies to perform reserves studies. The department sought two companies to assess the expertise, timeliness and costs each company offered. Association Reserves was the sole company to respond to the department request.

Association Reserves performs reserve studies that contain fundamental information to understand current and future capital obligations involving a building's exterior and interior assets, mechanical systems and grounds. Frequently omitted in building studies is an assessment of conditions of a property's gates, fences, asphalt/concrete pavement, drinking fountains, fountains and irrigation systems. These are all found within a building's grounds.

Original Agreement

The City's initial agreement with Association Reserves in the amount of \$7,870 involved survey and inspection of the PWS Administration Building, Vehicle Shop and the Public Works Yard. The survey of the buildings and ground was completed in January. The reserve studies were received by the City in early February and provided the department with a capital replacement plan for each building that included the Public Works Yard.

Amendment No. 1

In March 2015, PWS extended the agreement (Amendment No. 1) to include similar studies for the Civic Center buildings and structures listed below. This work commenced in late March and will be completed in early April for a cost of \$41,000. The following buildings are included in the Amendment No. 1 scope of work:

- City Hall
- Fire Department Administration
- Civic Center Plaza (Grounds & Colonnades)
- Crescent Garage (The Wallis)
- Residential Property at 265 S. La Peer
- Police Department/Central Plant
- Civic Center Parking Structure
- Library
- Central Plant
- Information Technology Department
- Printing & Graphic Shop

Staff now seeks City Council approval to continue the work and complete the inventory of the 45 remaining City's properties.

DISCUSSION

The work performed by Association Reserves best met both the fiscal and operational goals of this project. Association Reserves proposed a competitive cost for reserve studies for the City's remaining buildings and structures. Staff has found the company's reports to be detailed and provide the department with information and projections to assist in the development of future maintenance and replacement programs.

The work already completed as part of the original and Amendment No. 1, and the work that will continue to be completed as part of Amendment No. 2 is demonstrated in attachment 2 – Public Works Administration Reserve Study and is as follows:

- Detailed list of capital assets
- Schedule of projected future capital projects
- 30-year capital expense projections

Thirteen of the City's 58 properties with a building or structure have been inspected at this time. Amendment 2 will allow reserve studies to be performed on all for the remaining 45 buildings/structures.

Amendment No. 2

Amendment No. 2 will fund the survey and inspection of all remaining public buildings and structures throughout the City. This work will commence in mid-April and be completed in late May a cost of \$81,050. The following buildings are included in the Amendment No. 2 scope of work:

- 3rd Street Parking Structure
- PWS Warehouse and Shops
- Central Fuel Facility
- Water Treatment Plant
- 331 Foothill Offices
- 336 Foothill Road
- 9270 W 3rd Street (Credit Union)
- 9298 W 3rd Street (Lakeshore)
- 9400 S Santa Monica
- Beverly/Canon Building & Parking Structure
- 333 N Crescent Parking
- 225 N Crescent Structure
- Gardens Building & Montage Parking Structure
- Brighton Parking Structure
- Bedford Parking Structure
- Camden Parking Structure
- Reservoir #4 B
- Reservoir #4 A
- Reservoir #5
- Reservoir #6
- Reservoir #7
- Sunset Reservoir
- Booster Station #2
- Green Acres Pump
- 216 S Beverly Parking Structure
- 239 S Beverly (*Former Chamber of Commerce*)
- 345 N Beverly Parking Structure
- Reeves Park
- Maltz Park
- Will Rodgers Park (Restroom)
- Greystone Park (Asphalt/Fence)
- Greystone Park (Gatehouse)
- Greystone Park (Stables)
- Greystone Park (Firehouse Restroom)
- Greystone Park (Pool House)
- Greystone Park (Pump Station)
- Fire Station #2
- Coldwater Park Community Center
- Fire Station #3
- La Cienega Tennis Center
- La Cienega Community Center
- Water Wells (4 wells & signage)
- Beverly Gardens Park (Canon Restrooms)
- Beverly Gardens Park (Wilshire Fountain)
- Santa Monica Five Parking Structures (5)

Staff is recommending a 3% contingency or \$2,445.00 to cover any unforeseen costs associated with Amendment No. 2. This will raise the cost of Amendment No. 2 to \$83,495.

PWS staff will provide advance notice to each department, and occupants of all buildings to be surveyed, with copy of the master schedule identifying the specific date a building or structure will be surveyed and inspected in order to elevate their awareness of the pending work. However, no disruption to the building occupants or services is anticipated. Additionally, as each survey is conducted, a Facility Maintenance staff member will accompany the contractor while the survey is in progress

The Capital Replacement Plan reports culminating from this project will support the City's efforts to assemble a comprehensive inventory of capital assets that will include current replacement value and general condition of the equipment. The reports will be incorporated into the City's Work Order Management and Asset Management System, and will assist in providing more accurate planning, scheduling and allocation of funds in the 5-year CIP budget with emphasis on priority replacement as identified in the studies.

This work will position the Department to prepare a comprehensive capital replacement and maintenance plan for City Council consideration during the FY 2016-17 Budget process.

FISCAL IMPACT

Cost of the original agreement was \$7,870. Amendment No.1 costs \$41,000. The cost for Amendment No. 2 is \$83,495. The project's total cost, plus contingencies is \$132,365.00.

Funding for this Agreement is available in the current capital budget within CIP #0811 Major Building Systems Maintenance & Replacement.


George Chavez
Approved By

Council will be advised if agreement is not signed by Tuesday.