



AGENDA REPORT

Meeting Date: March 4, 2008
Item Number: F-7
To: Honorable Mayor & City Council
From: Alison Maxwell, Director Economic Development and Marketing
Subject: AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE AGREEMENTS, AMENDMENTS AND AUTHORIZE PURCHASE ORDERS ON BEHALF OF THE CITY FOR CONSULTANT SERVICES TO UNDERTAKE A PERFORMANCE AUDIT OF THE CHAMBER OF COMMERCE
Attachments: None

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager, along with the City Attorney, to prepare and negotiate the necessary agreements, and authorize the City Manager to execute such agreements, amendments and authorize purchase orders on behalf of the City in connection with the Chamber of Commerce ("Chamber") performance audit.

INTRODUCTION

City staff has received direction from the City Council to conduct comprehensive audits of the Beverly Hills Chamber of Commerce in relation to its agreements with the City to provide visitor marketing services through the Conference and Visitors Bureau (CVB) and economic development services through the Chamber's Economic Development Division.

DISCUSSION

Two audits are planned: a performance audit, to be completed prior to the City's 2008-2009 budget deliberations and a financial audit to be conducted following the close of the fiscal year 2007-2008.

The City Council has established a Chamber Performance Ad Hoc Committee to oversee the performance audit, and the financial audit will be overseen by the City's existing Audit Committee.

The City has invested many millions of dollars in outsourced marketing and economic development programs over the years, so it behooves the City to engage a consultant team that can undertake an in depth, objective and highly analytical audit of these programs. To that end, staff has already issued a request for proposals to a broad list of highly rated consultants and is close to finalizing selection.

In order to complete a performance audit prior to mid-April, the City will need to be expeditious and streamlined in its approach to seeking, hiring and providing directions to consultants. Staff anticipates completing a contract with the chosen consultants by the second week of March with the final work product completed by the April 18th of this year.

As such, City Council is being asked to authorize the City Manager and City Attorney to negotiate and execute the contract, and any amendments and related purchase orders, with the chosen consultant. The City Manager already has authority to execute contracts up to \$50,000. Based on initial discussions with consultants, it is anticipated that an in-depth performance audit is likely to cost between \$80,000 and \$100,000. Normally, a contract of this nature would be negotiated and prepared first, then brought to City Council for approval; however, with the tight time frame and the City Council regular meeting schedule for March, it will be difficult to do this and stay within the tight time frame imposed.

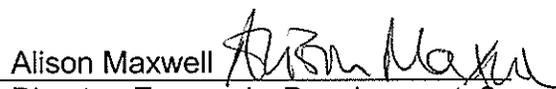
As mentioned, the Chamber Performance Audit Ad Hoc Committee will be overseeing this audit process and staff will ensure that they are informed and involved at all stages.

FISCAL IMPACT

It is anticipate that this project will cost up to \$100,000. Funds for this project are available in the 2007-2008 Policy and Management budget. Staff does not anticipate requiring additional appropriations.



Scott Miller
Director Administrative Services/Chief
Financial Officer



Alison Maxwell
Director Economic Development &
Marketing