



City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 8/23/2011

Report Type: Consent

Title: Contract Amendment: Barrett Sports Group, LLC

Report ID: 2011-00760

Location: District 1

Recommendation: Adopt a Resolution: 1) approving a sole source contract with Barrett Sports Group, LLC for professional services in an amount not to exceed \$20,000; 2) authorizing the City Manager, or City Manager's designee, to execute the contract with Barrett Sports Group, LLC; and 3) authorizing the City Manager, or City Manager's designee, to transfer \$65,000 from the City's General Fund Administrative Contingency to the City Manager's Office Operating Budget.

Contact: John Dangberg, Assistant City Manager, (916) 808-1222, Office of the City Manager

Presenter: None

Department: City Manager / Economic Development

Division: Executive Office

Dept ID:

Attachments:

- 1-Description/Analysis
- 2-Resolution
- 3-Supplemental Agreement Barrett

City Attorney Review

Approved as to Form
Jerry Hicks 8/18/2011 9:40:17 AM

Approvals/Acknowledgements

Department Director or Designee: Jim Rinehart - 8/17/2011 12:43:10 PM

Assistant City Manager: John Dangberg - 8/17/2011 4:56:48 PM



Description/Analysis

Issue: Barrett Sports Group, LLC (“Barrett Group”) is a nationally recognized expert on the business of sports and sports facilities with expertise in public sector financing. The City engaged the firm earlier this year to assist in the evaluation of the ICON-Taylor feasibility study and to provide financial advice on the Sports and Entertainment Complex. This analysis includes examining potential revenue sources to fund the project and examining project financial feasibility. Staff is amending the contract with a budget augmentation of \$20,000 to complete the work, which will cause the contract amount to exceed the authority of the City Manager’s Office, necessitating City Council approval. Additionally, this would generate a budget transfer increasing the City Manager’s Office consultant services budget by \$65,000, the amount of the two contract amendments, from the City’s General Fund Administrative Contingency.

Policy Considerations: Sacramento City Code Chapter requires that contracts that exceed \$100,000 must be approved by City Council. Contract 2011-0844 and its amendment 0844-1 totals \$90,000. The proposed contract amendment for an additional \$20,000 would exceed the City Manager’s authority and, therefore, requires City Council approval.

Environmental Considerations: The contract is for services related to analysis of the financial aspects of the conceptual arena plan. The information to be provided is for the preliminary analysis of project feasibility, and is not a project under the California Environmental Quality Act (“CEQA”) (CEQA Guidelines section 15378). In the event the City determines to proceed with a project, actions pursuant to that decision would be subject to CEQA review.

Sustainability: None at this time.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The contract augmentation will provide sufficient funding for the consultant to complete the required scope, which will be reported to Council in the 100 Day Report on the ICON-Taylor Feasibility Study. The analysis that the firm is providing will assist the City Council in making an informed decision on an important and complex project for Sacramento. Having a nationally acclaimed expert providing this expertise will also provide the City Council with information on options and methodologies used by other communities that have built entertainment and sports facilities throughout the United States.

Financial Considerations: The original contract with Barrett Group was for \$35,000 and has been amended once for an additional amount of \$55,000, bringing the total contract amount to \$90,000. Staff desires to augment the contract by an additional \$20,000 for services and expenses to complete the analysis. As required by City Code for contracts that exceed \$100,000, staff is asking City Council to approve the amendment for the additional \$20,000, bringing the total contract expenditures to \$110,000. Additionally, staff is requesting a budget transfer from the City’s General Fund Administrative

Contingency to the City Manager's Office operating budget (Fund 1001) for \$65,000, the amount of the two contract amendments.

Emerging Small Business Development (ESBD): This professional services contract was a sole source award due to the unique expertise possessed by the Barrett Group.



RESOLUTION NO. 2011-

Adopted by the Sacramento City Council

APPROVING CONTRACT AMENDMENT 2011-0844-2 WITH BARRETT SPORTS GROUP, LLC FOR FINANCIAL ADVISORY SERVICES AND BUDGET TRANSFER

BACKGROUND

- A. Barrett Sports Group, LLC is a nationally acclaimed firm with expertise in the business of sports and financing sports facilities that was engaged to provide financial advice and analysis to the City on the ICON-Taylor Feasibility Study in Contract #2011-0844.
- B. Due to the unique expertise of the firm, a sole source professional services contract in the amount of \$35,000 was awarded, which was later amended with a budget increase of \$55,000 for a total contract amount of \$90,000.
- C. In order to complete the analysis required in the scope of work, a budget augmentation is proposed in the amount of \$20,000, which necessitates City Council approval per City Code.
- D. Adequate funds are available in the amount of \$65,000, the amount of the two contract amendments, in the City's General Fund Administrative Contingency.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager or the City Manager's designee is authorized to approve and execute contract amendment 2011-0811-2 with Barrett Sports Group, LLC in an amount of \$20,000.
- Section 2. The City Manager or the City Manager's designee is authorized to transfer \$65,000 from the City's General Fund Administrative Contingency to the City Manager's Office Operating Budget.

Table of Contents:

- Exhibit A: Contract Amendment with Barrett Sports Group, LLC



Supplemental Agreement

Project Title and Job Number: Multi-Purpose Arena/Entertainment Facility
Purchase Order #:

Date: 8-17-11
Supplemental Agreement No.: 2

The City of Sacramento ("City") and Barrett Sports Group, LLC ("Consultant"), as parties to that certain Consultant and Professional Services Agreement designated as Agreement Number 2011-0844 including any and all prior supplemental agreements modifying said agreement (said agreement and supplemental agreements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The scope of Services specified in Exhibit A of the Agreement is amended as follows:

Please see Attachment 2.

2. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Agreement for payment of Consultant's fees and expenses, is **increased** by \$20,000 (Twenty thousand dollars), and said maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	<u>\$35,000.00</u>
Net change by previous supplemental agreements:	<u>\$55,000.00</u>
Not-to-exceed amount prior to this supplemental agreement:	<u>\$90,000.00</u>
Increase by this supplemental agreement:	<u>\$20,000.00</u>
New not-to exceed amount including all supplemental agreements:	<u>\$110,000.00</u>

3. Consultant agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Consultant for any and all direct and indirect costs that may be incurred by Consultant in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Consultant.

4. Consultant warrants and represents that the person or persons executing this supplemental agreement on behalf of Consultant has or have been duly authorized by Consultant to sign this supplemental agreement and bind Consultant to the terms hereof.

5. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Consultant shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this supplemental agreement.

CITY OF SACRAMENTO
A Municipal Corporation

Consultant

By: _____

By: _____

Printed Name: John Dangberg
Title: Assistant City Manager

Print Name: _____

For: William H. Edgar, Interim City Manager

ATTEST:

APPROVED AS TO FORM:

City Clerk

Deputy City Attorney

**Barrett Sports Group, LLC (BSG)
1219 Morningside Drive, Suite 101
Manhattan Beach, CA 90266**

Contractor shall provide general advisory services to the City of Sacramento related to development of a multi-purpose arena/entertainment facility. Contractor shall participate in the evaluation and development of conceptual approaches and deal structures related to construction of such a facility. Tasks include:

- 1) New Arena Market Demand and Financial Feasibility Study
- 2) Kings Financial Analysis – Determine Potential Investment (Upfront/Annual)
- 3) Evaluate Financing Options – Conceptual Financing Plan
- 4) Additional tasks and meetings related to team and/or third party deal structure, discussions and preliminary negotiations