



# City of Sacramento City Council

915 I Street, Sacramento, CA, 95814  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Meeting Date:** 10/18/2011

**Report Type:** Consent

**Title:** Agreement Addendum: Pre-Construction Services for the Community Center Theater Renovation Project

**Report ID:** 2011-00866

**Location:** District 4

**Recommendation:** Adopt a Resolution authorizing the City Manager or his designee to execute Supplemental Agreement No. 1 to City Agreement 2010-0678 with Kitchell CEM, Inc. to extend the term of the contract to October 30, 2012, and to amend the method of compensation to compensate Kitchell on a flat-rate basis for the remaining items to be completed within the scope of services, without increasing Kitchell's total compensation.

**Contact:** Tina McCarty, Administrative Officer, (916) 808-8220, Convention Culture and Leisure

**Presenter:** None

**Department:** Convention Culture & Leisure

**Division:** Convention Center

**Dept ID:** 17001111

## **Attachments:**

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- 1-Description/Analysis
- 2-Resolution.docx
- 3-KitchellProfSvcAgreementAddendum11.doc

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### **City Attorney Review**

Approved as to Form  
Kourtney Burdick  
10/14//2011 08:08:00 AM  
Via email

### **City Treasurer Review**

Reviewed for Impact on Cash and Debt  
Russell Fehr  
9/27/2011 6:24:27 PM

## **Approvals/Acknowledgements**

Department Director or Designee: Barbara E. Bonebrake - 10/12/2011 10:14:28 AM



## Description/Analysis

### Issue:

In August 2010, the City entered into a professional services agreement with Kitchell CEM, Inc. (2010-0678) for design-assist support services related to the Sacramento Community Center Theater Renovation Project. At this time, the conceptual and design development plans, identified in the scope of services for that contract, have been completed. The remaining items in the scope are yet to be completed and require Kitchell to complete construction documents, finalize project cost estimates, and develop a Guaranteed Maximum Price (GMP) for project construction. The current agreement is set to expire on October 30, 2011. The supplemental agreement before the Council will extend the term to October 30, 2012.

In addition, the supplemental agreement changes the method of compensation from hourly-based, where Kitchell is compensated on an hourly basis for its employees' time spent on the project, to task-based, where Kitchell is compensated a flat-rate for the remaining tasks to be completed. Staff is concerned that staying with an hourly-based compensation structure will cause Kitchell to exceed the contract maximum price (\$79,916) without completing the remaining tasks. Moving to a task-based compensation system will ensure that Kitchell completes the remaining tasks within the contract maximum price of \$79,916. The contract maximum price is not being increased by the supplemental agreement.

**Policy Considerations:** The recommendations in this report are consistent with: 1) the provisions of City Code Section 3.64; and 2) Resolution No. 2010-346 prohibiting the City from entering into any contract to purchase goods or services from any business or entity headquartered in Arizona.

### Environmental Considerations:

**California Environmental Quality Act (CEQA):** Under the CEQA guidelines, continuing administrative activities do not constitute a project and are therefore exempt from review.

**Sustainability:** Leadership in Energy and Environmental Design (LEED) Silver certification and Title 24 Energy Compliance will be achieved through the Theater renovation project.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** The current agreement with Kitchell (2010-0678) for pre-construction services is scheduled to expire on October 30, 2011; therefore an extension to the agreement term is required. In addition, staff recommends amending the compensation structure in the contract from hourly-based to task-based to ensure Kitchell

completes the scope of services within the contract maximum price. The contract maximum price will not be increased by the supplemental agreement.

Staff will report back to City Council to request approval of the construction contract and authorization to proceed, once the GMP is established and defined based on the final project scope. Additionally, the City Treasurer will return to Council with the full bond issuance details at the time of sale.

**Financial Considerations:** The amount of the Kitchell agreement is \$79,916. There is no additional fee for the extension of the term or change in compensation structure. The agreement with Kitchell is part of the theater renovation project and there is sufficient funding in the Community Center Theater Renovation Capital Improvement Program project (M17100100).

**Emerging Small Business Development (ESBD):** Kitchell is not an ESBD certified business; however, they are required to adhere to 20% participation in the GMP construction phase.



## **RESOLUTION NO. 2012-**

Adopted by the Sacramento City Council

**October 18, 2011**

### **EXTENSION OF TERM AND CHANGE IN COMPENSATION STRUCTURE TO CITY AGREEMENT 2010-0678 WITH KITCHELL CEM, INC. FOR PROFESSIONAL SERVICES IN PRECONSTRUCTION DEVELOPMENT OF THE COMMUNITY CENTER THEATER RENOVATION PROJECT (M17100100)**

#### **BACKGROUND**

- A. On March 16, 2010, City Council approved the use of the design-assist project delivery method by suspending competitive bidding based on Section 3.60.170 of the City Code. This action was required in order to use the design-assist project delivery method, which has proven to be successful in delivering construction projects on schedule and within budget.
- B. On August 10, 2010, City Council awarded a professional services contract to Kitchell CEM, Inc. ("Kitchell") for design-assist services related to the Sacramento Community Center Theater Renovation Project in the amount of \$79,916 (City Agreement 2010-0678) ("Agreement"). The Agreement is scheduled to expire October 30, 2011. Extending the term by one year will allow Kitchell to complete the scope of services set forth in the contract
- C. The payment structure set forth in the Agreement compensates Kitchell on an hourly basis for its employees' time spent on the project. Amending the payment structure to compensate Kitchell at flat-rate for the remaining items to be completed will ensure that Kitchell completes the scope of services without exceeding the contract's maximum price.

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

- Section 1. The City Council authorizes the City Manager or his designee to execute Supplemental Agreement No. 1 to City Agreement 2010-0678 with Kitchell (attached as Exhibit A) to extend the term of the contract to October 30, 2012, and to amend the method of compensation to compensate Kitchell on a flat-rate basis for the remaining items to be completed within the scope of services, without increasing Kitchell's total compensation.
- Section 2. Exhibit A is a part of this Resolution.



Requires Council Approval:  No  YES Meet

Real Estate

Other Party Signature Needed

Recording Requested

General Information

Type: Professional Services	PO Type: Select PO Type	Attachment: Addendum No.: 1
\$ Not to Exceed: \$ 79,916		Original Doc Number: 2010-0678
Other Party: Kitchell CEM, Inc		Certified Copies of Document: 1
Project Name: Community Center Theater Pre-construction Services		Deed: <input checked="" type="checkbox"/> None <input type="checkbox"/> Included <input type="checkbox"/> Separate
Project Number: M17100100	Bid Transaction #:	E/SBE-DBE-M/WBE: No

Department Information

Department: CCL Division: Convention Center  
 Project Mgr: Tina McCarty Supervisor: Judy Goldbar  
 Contract Services: Tina McCarty Date: October 5, 2011 Division Mgr: Judy Goldbar  
 Phone Number: 808-8220 Org Number: 17001151  
 Comment: term extension and payment change - no increase in fee.

Review and Signature Routing

Department	Signature or Initial	Date
Project Mgr:	<i>Tina McCarty</i>	10.5.11
Accounting:	<i>Tina McCarty</i>	10.5.11
Contract Services:	<i>Tina McCarty</i>	10.5.11
Supervisor:	<i>Judy Goldbar</i>	10-5-11
Division Manager:	<i>Judy Goldbar</i>	10-5-11
City Attorney	Signature or Initial	Date
City Attorney:	<i>VCB</i>	10/7/11

**For City Clerk Processing**

**Finalized:**

Initial: \_\_\_\_\_

Date: \_\_\_\_\_

**Imaged:**

Initial: \_\_\_\_\_

Date: \_\_\_\_\_

**Received:**  
(City Clerk Stamp Here)

Send Interoffice Mail  Notify for Pick Up

**Authorization**

Bonebrake, Barbara  
 Department Director: \_\_\_\_\_

City Mgr: yes  No

# SUPPLEMENTAL AGREEMENT

**Project Title and Job Number: Community Center Theater Pre-Construction Services    Date: 10/18/2011**

**Purchase Order #: 0000012423**

**Supplemental Agreement No.: 2010-0678-1**

The City of Sacramento ("City") and Kitchell CEM, Inc. ("Consultant"), as parties to that certain Consultant and Professional Services Agreement designated as Agreement Number 2010-0678, 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:

**5. Time of Performance.** The services described herein shall be provided during the period, or in accordance with the schedule, set forth in the scope of services. *AGREEMENT EXPIRES OCTOBER 30, 2012.*

2. Attachment 1 to Exhibit A of the Agreement is amended as follows:

**II.c.** Services provided under this contract are anticipated to be completed by October 30, 2012.

3. Attachment 1 to Exhibit B of the Agreement is amended as follows:

As of the Date of this Supplemental Agreement, the following items within the Scopes of Services are the only items that remain to be completed by Contractor. These tasks shall be compensated as set forth below. No other compensation will be provided. The total compensation to be paid to Contractor for the performance of all services set forth in Exhibit A remains unchanged at \$79,916, as reflected in Exhibit B.

Scope of Services Item:	Total Compensation:
I.a.viii. Value engineering sessions	\$5,000
I.b.iii.3. 50% Construction documents (review)	\$5,000
I.b.iii.4. 100% Construction documents (review)	\$5,000
I.b.vii. Development of a detailed construction cost estimate at 50% construction documents and reconciliation with the City's independent cost estimate	\$6,866
I.a.xi, xii, xiv and I.b.x, xi, xii, xiii, all items relating to bid package preparation and final GMP package (refer to corresponding sections within the Scope of Services for full descriptions)	\$5,000

4. 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/decreased** by \$0.00, and said maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount :	\$79,916
Net change by previous supplemental agreements:	0
Not-to-exceed amount prior to this supplemental agreement:	0
<b>Increase/decrease</b> by this supplemental agreement:	0
New not-to exceed amount including all supplemental agreements:	\$79,916

5. 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

# SUPPLEMENTAL AGREEMENT

changes and/or delays in work schedules or in the performance of other services or work by Consultant.

6. 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.
7. 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.

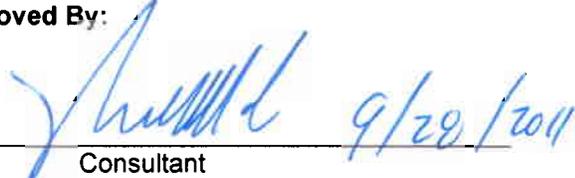
**Approval Recommended By:**

\_\_\_\_\_  
Project Manager

**Approved As To Form By:**

  
\_\_\_\_\_  
City Attorney

**Approved By:**

  
\_\_\_\_\_  
Consultant

**Attested To By:**

**Approved By:**

\_\_\_\_\_  
City of Sacramento

\_\_\_\_\_  
City Clerk