



City of Sacramento City Council

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

Meeting Date: 2/14/2012

Report Type: Consent

Title: Supplemental Agreement: Entertainment & Sports Complex Contract Amendment

Report ID: 2012-00205

Location: District 3

Recommendation: Pass a motion approving an amendment to Contract No. 2011-1204 with Barrett Sports Group, LLC for professional services in the amount of \$40,000 and authorize the City Manager, or City Manager’s designee, to execute the contract amendment with Barrett Sports Group, LLC.

Contact: Rachel Hazlewood, Senior Project Manager, (916) 808-8645; Economic Development Department, Mark Prestwich, Special Projects Manager, (916) 808-5380, Office of the City Manager

Presenter: None

Department: City Manager

Division: Executive Office

Dept ID:

Attachments:

- 1-Description/Analysis
 - 2-Supplemental Agreement with Barrett Sports Group, LLC
-

City Attorney Review

Approved as to Form
Joseph Cerullo
2/8/2012 6:25:03 PM

Approvals/Acknowledgements

Department Director or Designee: John Dangberg - 2/8/2012 12:58:47 PM

Issue: On September 27, 2011, City Council approved \$555,000 for consultant contracts to perform necessary due diligence and conduct negotiations on behalf of the City for the Entertainment and Sports Complex (ESC). Expenditures are within the \$555,000 budget and no additional funds are being requested at this time. Under the budget, \$125,000 was allocated to Barrett Sports Group, LLC (Barrett), a nationally recognized expert on the business of sports and sports facilities with expertise in public sector financing. The Barrett contact has been augmented once since then with an additional \$25,000, which is the limit of the budget authority allowed per City Code 3.64A.2 without receiving City Council approval. Due to the intensity and complexity of the ESC negotiations and analysis, those funds have been expended and an additional \$40,000 is needed through February 2012. The \$40,000 amendment is available from contingency within the \$555,000 allocation approved by Council for ESC contract expenses.

The ESC contract expenditures are summarized as follows:

| Activity | Original Budget | Current Budget | Proposed Amendment | Total Budget |
|------------------------------------|-----------------|----------------|--------------------|----------------|
| ESC Negotiations and Agreements | | | | |
| Financial/NBA Advisor | 125,000 | 150,000 | 40,000 | 190,000 |
| Transaction Counsel #1 | 100,000 | 69,000 | - | 69,000 |
| Transaction Counsel #2 | - | 20,000 | - | 20,000 |
| Revenue & Finance Options Analysis | 75,000 | 48,500 | - | 48,500 |
| Parking Asset Value Analysis | | | | |
| Financial Advisor | 80,000 | 80,000 | - | 80,000 |
| Parking Consultant | 70,000 | 79,000 | - | 79,000 |
| Bond Counsel | 30,000 | 29,506 | - | 29,506 |
| Request for Qualifications | | | | |
| Financial Advisor | - | 5,000 | - | 5,000 |
| Parking Consultant | - | 5,000 | - | 5,000 |
| Contingency | 75,000 | 68,994 | (40,000) | 28,994 |
| TOTAL | 555,000 | 555,000 | | 555,000 |

Policy Considerations: Sacramento City Code Chapter 3.64A.2 states that contracts exceeding \$100,000 but under \$250,000 may be increased up to \$25,000 under the City Manager’s authority. Contract 2011-1204 was originally executed for \$125,000 and was increased by \$25,000. Therefore, this \$40,000 contract amendment requires City Council approval.

Environmental Considerations: The contract is for services related to the financial aspects of the ESC plan. The information to be provided is related to project financial terms and 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 for \$40,000 will provide sufficient funding for the consultant to complete the required scope through February. Due to the intensity and complexity of these negotiations and accompanying analysis, additional funding is necessary to complete the scope of work.

Financial Considerations: This contract amendment will be funded from within the \$555,000 approved by City Council on September 27, 2011. No new funds are being requested at this time.

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



SUPPLEMENTAL AGREEMENT

Project Title and Job Number: Arena/Entertainment Facility
Purchase Order #: 15983

Date: 02.08.2012
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 City Agreement Number 2011-1204, 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 Attachment 1 to Exhibit A of the Agreement is amended by adding the following paragraph at the end:

At the direction of the City representative for this Agreement, Consultant shall continue to provide services as described in this Attachment 1 to Exhibit A until the termination of the Exclusive Right to Negotiate a Predevelopment Agreement between the City and ICON Venue Group, LLC and Davis S. Taylor Interests, Inc. (City Agreement No. 2011-1195).

2. In consideration of the 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 \$40,000, and said maximum not-to-exceed amount is amended as follows:

| | |
|---|---------|
| Agreement's original not-to-exceed amount: | 125,000 |
| Net change by previous supplemental agreements: | 25,000 |
| Not-to-exceed amount prior to this supplemental agreement: | 150,000 |
| Increase by this supplemental agreement: | 40,000 |
| New not to exceed amount including all supplemental agreements: | 190,000 |

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.

Approved By:


Daniel S. Barrett
Barrett Sports Group, LLC (BSG) 2/9/12

Approved As To Form By:

Gerald C. Hicks
Supervising Deputy City Attorney

Approved By:

John Dangberg, Assistant City Manager

Attested By:

City Clerk