AGENDA ITEM NO. 4.a.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

Garden Grove Agency for Community Development

To:

Matthew J. Fertal

From: Economic Development

Dept:

Director

Dept:

Subject:

CONTRACT AMENDMENT -

Date: August 24, 2010

KEYSER MARSTON ASSOCIATES

OBJECTIVE

The purpose of this report is for the Garden Grove Agency for Community Development (Agency) to consider Amendment No. 3 to the Consultant Services Agreement (Agreement) with Keyser Marston Associates, increasing the contract sum from \$56,250 to \$156,250.

BACKGROUND

On March 1, 2009, the Agency entered into an Agreement with Keyser Marston Associates to assist in obtaining economic and pro forma analysis services, along with project feasibility analyses and other miscellaneous economic and financial analyses on an as needed basis. The original contract amount was not to exceed \$25,000.00.

Unforeseen analyses were required for the Grove Park Apartments Project, resulting in an earlier than anticipated depletion of most of the funds. On February 17, 2010, the Agency amended the contract (Attachment 1) and increased the contract sum by 25% (\$6,250) for a new total not to exceed \$31,250. On March 25, 2010, the Agency processed a second amendment (Attachment 2), which increased the contract sum by \$25,000, for a new total not to exceed \$56,250 and extended the term for an additional year.

DISCUSSION

As an Agency consultant, Keyser Marston Associates is responsible for providing indepth financial feasibility and pro forma analysis for Agency commercial, residential, and affordable housing projects within the City, with the exception of hotel projects. The Agency has several potential projects pending, including Sweet Homes Development (Garden Grove Boulevard, east of West Street) and Brookhurst Triangle. In order to move forward with the analyses for these and CONTRACT AMENDMENT - KEYSER MARSTON ASSOCIATES August 24, 2010 Page 2

other potential projects, staff is proposing that the contract sum be increased by \$100,000, bringing the total contract amount to \$156,250.

FINANCIAL IMPACT

Financial impact to the Redevelopment Fund (002) will be \$100,000. There are sufficient funds in package 2500 (Community Project) to cover the increase.

RECOMMENDATION

Staff recommends that the Agency:

- Approve Amendment No. 3 to Consultant Services Agreement with Keyser Marston Associates, for economic and pro forma analysis services; and,
- Authorize the Agency Director to execute the Amendment on behalf of the Agency.

Grace Lee

Economic Development Specialist

Attachment 1: Amendment No. 1 – Keyser Marston Associates Attachment 2: Amendment No. 2 – Keyser Marston Associates Attachment 3: Amendment No. 3 – Keyser Marston Associates

Recommended for Approval

Matthew Fertal

CITY OF GARDEN GROVE

AMENDMENT NO. 1

To: Assist in obtaining economic and pro forma analysis services, along with project feasibility analyses and other miscellaneous economic and financial analyses.

This Amendment No. 1 to assist in obtaining economic and pro forma analysis along with project feasibility analyses and other miscellaneous economic and financial analyses is made and entered into this 17 h day of forward 2010, by and between the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, hereinafter referred to as "AGENCY", and KEYSER MARSTON ASSOCIATES, INC., hereinafter referred to as "CONSULTANT".

WHEREAS, CONSULTANT and AGENCY entered into Contract No. **09-2856**, effective **March**, **9**, **20009**.

WHEREAS, CONSULTANT and AGENCY desire to amend the Existing Contract as provided herein.

Now, therefore, it is mutually agreed, by and between the parties as follows:

Section 2.0. COMPENSATION - shall be revised as follows:

The contract Price is hereby increased from \$25,000.00 to a new Firm Fixed Price of \$31,250.00. This is an increase of \$6,250.00 to cover the remainder of the contract year.

Except as expressly amended hereby, the Existing Contract remains in full force and effect as originally executed.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to the Existing Contract to be executed by their respective officers duly authorized on the date first written above.

| Date: <u>2-17-10</u> | "AGENCY" GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT |
|-----------------------------|--|
| ATTESTED: | By: Math att |
| City Clerk Date: 2/22/2010 | |
| Date: <u>~12212010</u> | "CONSULTANT" KEYSER MARSTON ASSOCIATES, INC |
| | Name: Timothy C. Kelly |
| | Title: President Date: 1/29/10 |
| | • |

If CONSULTANT is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to CITY.

APPROVED AS TO FORM:

Garden Grove City Attorney

Date

CITY OF GARDEN GROVE

AMENDMENT NO. 2

To: Assist in obtaining economic and pro forms analysis services; along with project feasibility analyses and other miscellaneous economic and financial analysis.

This Amendment No. 2 to Assist In obtaining economic and pro forms analysis services; along with project feasibility analyses and other miscellaneous economic and financial analysis is made and entered into this <u>Z51</u> day of <u>March</u> 2010, by and between the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT** hereinafter referred to as "CITY", and **Keyser Marston Associates, Inc.**, hereinafter referred to as "CONSULTANT".

WHEREAS, Consultant and AGENCY entered into Contract No. 09-2856, effective March 1, 2009.

WHEREAS, Consultant and AGENCY desire to amend the Existing Contract as provided herein.

Now, therefore, it is mutually agreed, by and between the parties as follows:

Section 2.0. COMPENSATION - shall be revised as follows:

The contract Price is hereby increased from \$31,250.00 to a new Firm Fixed Price of \$56,250.00. This is an increase of \$25,000.00 to extend the agreement for an additional one year term.

Section 3.4, Term, shall be revised as follows:

The AGENCY hereby extends the performance period from March 1, 2010 to February 28, 2011.

Except as expressly amended hereby, the Existing Contract remains in full force and effect as originally executed.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 2 to the Existing Contract to be executed by their respective officers duly authorized on the date first written above.

| Date: 3-25-10 | "AGENCY" GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body, corporate and politic |
|--|---|
| ATTESTED: + AURICIN ROULD Secretary | By: Mathantett |
| Date: 3130100 | "CONSULTANT" Keyser Marston Associates, Inc. By: |
| APPROVED AS TO FORM: Garden Grove City Attorney | If CONSULTANT is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to AGENCY. |

Date

CITY OF GARDEN GROVE

AMENDMENT NO. 3

To: Assist in obtaining economic and pro forma analysis services, along with project feasibility analyses and other miscellaneous economic and financial analyses.

This Amendment No. 3 to assist in obtaining economic and pro forma analysis along with project feasibility analyses and other miscellaneous economic and financial analyses is made and entered into this ______ day of ______ 2010, by and between the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, hereinafter referred to as "AGENCY", and **KEYSER MARSTON ASSOCIATES**, **INC.**, hereinafter referred to as "CONSULTANT".

WHEREAS, CONSULTANT and AGENCY entered into Contract No. **09-2856**, effective **March**, **9**, **2009** and amended such contract on **February 25**, **2010** and **April 7**, **2010**.

WHEREAS, CONSULTANT and AGENCY desire to amend the Existing Contract as provided herein.

Now, therefore, it is mutually agreed, by and between the parties as follows:

Section 2.0. COMPENSATION - shall be revised as follows:

The contract Price is hereby increased from **\$56,250.00** to a new Firm Fixed Price of **\$156,250.00**. This is an increase of **\$100,000.00** to cover the remainder of the contract year.

Except as expressly amended hereby, the Existing Contract remains in full force and effect as originally executed.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 3 to the Existing Contract to be executed by their respective officers duly authorized on the date first written above.

| Date: | "AGENCY" GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT |
|----------------------------------|---|
| ATTESTED: | By: Director |
| City Clerk | - |
| Date: | Name: Wesder Date: August 4, 2010 |
| | If CONSULTANT is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to CITY. |
| Garden Grove City Attorney Date | _ |