



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

www.cityofsacramento.org

File ID: 2018-01685

January 8, 2019

Consent Item 01

Title: Third Supplemental Agreement with Montague DeRose and Associates

Location: District 4

Recommendation: Pass a Motion authorizing the City Treasurer or his designee to execute Supplemental Agreement No. 3 to City Agreement No. 2016-1223 with Montague DeRose and Associates in an amount not-to-exceed \$55,000, for a new Agreement total not-to-exceed amount of \$180,000.

Contact: Brian Wong, Debt Manager, (916) 808-1581; Colin Bettis, Senior Debt Analyst, (916) 808-8292, Office of the Treasurer

Presenter: None

Attachments:

1-Description/Analysis

2-Third Supplemental Agreement with Montague DeRose

Description/Analysis

Issue Detail: Montague DeRose and Associates (Montague) served as the City's Financial Advisor for the issuance of the 2018 Transient Occupancy Tax Revenue Bonds (Convention Center Complex) (the 2018 Bonds). The City is beginning to work on the issuance of bonds to finance the construction of the ballroom component of the Convention Center Complex. Since Montague served as the City's Financial Advisor for the issuance of the 2018 Bonds, maintaining Montague as the City's Financial Advisor for the issuance of bonds associated with the ballroom would be both logical and efficient.

Policy Considerations: Not applicable.

Economic Impacts: Not applicable.

Environmental Considerations: The public hearing approving the entitlements and the environmental impact report and adopting the mitigation monitoring program for the Convention Center Complex renovation and expansion project was held on June 19, 2018. The challenge period for the Environmental Impact Report has passed and there were no challenges to the report.

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Montague's familiarity with the 2018 Bonds will benefit the City so that there is no need to onboard a new advisor. Additionally, the efficiencies that will be gained from that could potentially reduce the overall cost of issuance.

Financial Considerations: The original contract 2016-1223 was for a not-to-exceed amount of \$82,500. The second supplemental agreement (2016-1223-2) increased the amount to \$125,000. The contract amount for the third supplemental agreement will be a not-to-exceed amount of \$55,000. The revised total compensation for Contract 2016-1223 will be \$180,000. Costs associated with supplement will be covered with the Convention Center Complex Renovation project (M17100100) or through bond issuance.

Local Business Enterprise (LBE): Not Applicable.

SUPPLEMENTAL AGREEMENT

Project Title and Job Number: Community Center Theater and Convention Center

Date: 12/14/2018

Purchase Order #: 35930

Supplemental Agreement No.: 2016-1223-3

The City of Sacramento ("City") and Montague DeRose and Associates ("Contractor"), as parties to that certain Professional Services Agreement designated as Agreement Number 2016-1223, including any and all prior supplemental agreements modifying the agreement (the 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:

The Scope of Services as described in Attachment 1 to Exhibit A remains in effect and the Contractor shall provide the same services described therein for the new scope of work; however, sections of paragraph one will be modified to describe the new scope of work. For the new scope of work, "for the issuance of an estimated \$175 million of revenue bonds secured by City transient occupancy taxes to finance the Community Center Theater / Convention Center Renovation Project" in paragraph one of Attachment 1 to Exhibit A will be replaced with "for the issuance of an estimated \$50,000,000 in additional revenue bonds secured by City transient occupancy taxes and potentially other revenues to finance the ballroom component of the Convention Center."

Section 5. Time of Performance. The services described herein shall be provided by December 31, 2019.

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 Contractor's fees and expenses, is increased by \$55,000.00, and the Agreement's maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	<u>\$ 82,500</u>
Net change by previous supplemental agreements (supplemental agreement 2):	<u>\$ 42,500</u>
Not-to-exceed amount prior to this supplemental agreement:	<u>\$125,000</u>
Increase/decrease by this supplemental agreement:	<u>\$ 55,000</u>
New not-to exceed amount including all supplemental agreements:	<u>\$180,000</u>

3. Contractor 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 Contractor for any and all direct and indirect costs that may be incurred by Contractor 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 Contractor.
4. Contractor warrants and represents that the person or persons executing this supplemental agreement on behalf of Contractor has or have been duly authorized by Contractor to sign this supplemental agreement and bind Contractor 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 Contractor 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:

Approved As To Form By:

Project Manager

City Attorney

Approved By:



Contractor

Attested To By:

Approved By:

City of Sacramento

City Clerk