



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: APRIL 17, 2013

FROM: REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - PROPOSED FIRST AMENDMENT
TO EXECUTIVE DIRECTOR AGREEMENT NO. E6641 WITH
MUNICIPAL CONSULTING, INC. DBA IMC MUNICIPAL CONSULTING**

SUMMARY:

Executive Director Agreement No. E6641 (Agreement) with Municipal Consulting, Inc., dba IMC Municipal Consulting (IMC) provides real estate consulting services and terminates on May 3, 2013. The First Amendment to the Agreement is requested to extend the expiration date to June 30, 2013, and add \$20,000 to the compensation, for an overall total of \$170,000. All other terms and conditions of the Agreement will remain the same. The proposed First Amendment will allow the consultant time and funding to complete several critical projects that are near completion.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve the First Amendment to Executive Director Agreement No. E6641 with Municipal Consulting, Inc.;
2. Authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to Executive Director Agreement No. E6641; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The City of Los Angeles Harbor Department (Harbor Department) released a Request for Proposals (RFP) in 2011 for real estate consulting services. The consultant was to provide professional, expert, and technical real estate and strategic planning advisory services to assist in negotiating real estate permits, development of the Real Estate Leasing Policy and the Asset Management Policy, and development of training programs to improve real estate operations. IMC was found to be the most qualified to provide these services and was awarded the contract. As part of the original contracting process, the City Charter Section 1022 evaluation was completed and determined that the subject contract can be performed more feasibly by an independent contractor rather than by City employees.

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IMC has completed, or substantially completed, the items identified in its scope of work which included developing the Asset Management Policy; updating and rewriting the Leasing Policy; working with staff on developing the Cabrillo Way Marina agreement; and staff training. IMC's work on the Asset Management Policy has been completed. However, due to revisions in the Leasing Policy and the complexity of the pending Cabrillo Way Marina agreement, the contract funding has nearly been expended and time on the contract will be expiring on May 3, 2013. IMC has been working with staff and providing expertise in the development of the Cabrillo Way Marina agreement and is finalizing the Leasing Policy. Both of these projects are near completion.

Additionally, IMC has expertise in commercial and industrial property management and has been tasked to conduct a training course on this subject for Real Estate staff. Completion of the Asset Management Policy, the Leasing Policy, and staff development training were recommended in the 2011 Real Estate Division Performance Audit.

In order to complete work on these critical projects, an amendment to the Agreement (Transmittal 1) is needed to add \$20,000 to the contract, bringing the overall total to \$170,000, and extending it through June 30, 2013 under the same terms and conditions.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an amendment to the Agreement with IMC to extend the expiration date and add to the compensation to allow the consultant time and funding to complete critical projects that are close to completion. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2 (f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Approval of the proposed First Amendment will have very minor (less than one) employment impact. The original Agreement would have one direct and one secondary one-year equivalent employment impact for the five-county region.

FINANCIAL IMPACT:

The proposed First Amendment to the Agreement with IMC provides services for work that is to be completed, as recommended in the 2011 Real Estate Division Audit. Hourly rates negotiated under the original agreement will apply to the First Amendment. Since the execution of the Agreement, the Harbor Department has remitted approximately \$145,000 to IMC for services rendered. The proposed First Amendment authorizes an additional \$20,000 and extends the Agreement through June 30, 2013. In the current fiscal year, the additional \$20,000 is available in Real Estate Division's budget for real estate consulting services in Account 54290, Center 0424, Project 000.

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CITY ATTORNEY:

The First Amendment to the Agreement has been approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

1. First Amendment

FIS Approval:  (Initials)
CA Approval:  (Initials)


JACK C. HEDGE
Director of Real Estate


KATHRYN McDERMOTT
Deputy Executive Director

APPROVED:


GERALDINE KNATZ, Ph.D.
Executive Director

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