

**AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN
THE CITY OF PALOS VERDES ESTATES AND HR GREEN CALIFORNIA, INC.**

THIS FIRST AMENDMENT ("Amendment") is made and entered into this 27th day of October 2015, by and between the CITY OF PALOS VERDES ESTATES, a general law city and municipal corporation ("CITY"), and HR GREEN CALIFORNIA, INC., a California corporation

1. **RECITALS.** This Amendment is made with reference to the following facts and objectives:
 - A. On July 13, 2015, the CITY and the HR Green California, Inc. (the "CONSULTANT") entered into an agreement for consulting services in the areas of Building and Safety, Engineering and Public Works;
 - B. The Agreement authorizes the City to utilize CONSULTANT for the administration and management of capital improvement projects. This Amendment clarifies the fee component for the administration and management of capital improvement projects;
 - C. CITY and the HR GREEN now mutually desire by this Amendment No. 1 to the Agreement ("Amendment") to clarify the intent of the Agreement by amending the terms of the Agreement.

2. **AMENDMENT.** In consideration of the foregoing and pursuant to Section 8 of the Agreement, the Agreement is amended as follows:
 - A. Subsection C of Section 1, entitled "Consideration and Compensation," is amended by adding Subsection C(i) and C(ii) to read as follows:

"As additional consideration, CITY agrees to pay CONSULTANT for various services based upon the hourly rates and a specified variable fee scale outlined both in Exhibit A and the hourly rates presented on Exhibit B. Building and Safety fees are based on a percentage of collected fees for such services and follow an established graduated maximum scale also outlined in Exhibit B. These fees are set in accordance with state law and do not exceed the reasonable cost of providing the services. The City shall establish the amount payable to CONSULTANT and the hourly rates contained in Exhibit B on an annual basis in its adopted budget for such fiscal year or unless otherwise specified by written amendment to this Agreement. Furthermore, should the fees that CITY imposes for CONSULTANT'S services change, CITY and CONSULTANT shall meet and confer to consider modifications and/or adjustments to the hourly rates specified in Exhibit B.

 - (i) Only fees associated with the administration and management of capital improvement projects are structured as a percentage of the construction costs estimate as specified in Exhibit B.

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(ii) In no event shall CONSULTANT receive both an hourly fee for engineering services and a fee based on the percentage of the construction costs for administration and management services (as specified in Exhibit B) for the same capital improvement project, unless first approved in writing by the City Manager or his designee and it is documented and detailed in a Scope of Work that the administration and management services for the capital improvement project is separate and distinct from the engineering services .”

3. **COUNTERPARTS.** This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitutes one instrument executed on the same date.
4. **LIMITED AMENDMENT.** Except as modified by this Amendment, all other terms and conditions of the Agreement, as amended by Amendment No. 1, remain in full force and effect.

This Amendment is executed on and shall become effective this 27th day of ~~September~~ October, 2015, at Palos Verdes Estates, California.
(on)

CITY OF PALOS VERDES ESTATES


JAMES F. GOODHART, Mayor

ATTEST:


Vickie Kroneberger, City Clerk

HR GREEN CALIFORNIA, INC.,
a California Corporation

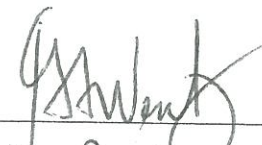
By: 
Its: VICE PRESIDENT

EXHIBIT A

SCOPE OF SERVICES

The requested scope of services includes comprehensive Building and Safety (building, plan check and inspection), Engineering (traffic and civil) and Public Works (inspection, storm water, plan review and capital project administration) Services as described below. Such services would be provided for an initial five-year term with an option for a three-year extension at the City's discretion upon successful completion of the initial term.

Additionally, services may alternatively be provided by one or more consultants on an as-needed, supplemental or case-by-case basis, if and as determined by the Planning and Building Director or the City Manager.

The City provides two Building and Public Works Counter Technicians that perform different work from the existing consultant. They accept and issue plans, issue permits, manage records and perform research, and provide customer service. City Hall operates on a 5/40 work week schedule.

The City will provide the consultant with limited City office space to accomplish all tasks listed in the following Scope of Work. If the consultant believes that more space is required, the consultant may acquire additional office space at their own expense.

BUILDING AND SAFETY SERVICES

The Building and Safety operations encompass general building, plan check and inspection services. During FY 13/14, the City issued a total of 2,064 building permits. Most of the building permits pertain to additions or remodeling of residential units. There were only 10 new homes constructed in FY 13/14. The City envisions these functions being performed by the consultant.

The scope of services for Building and Safety Services proposals shall include the following:

A. Building Official:

The consultant will provide a qualified individual who will perform the following Building Official services:

- Enforce the building, electrical, plumbing and mechanical codes and arrange reviews by other agencies as appropriate and coordinate enforcement activities with other agencies/city division for related property maintenance or code violations.
- Develop and implement proper forms in accordance with State laws and best management practices.
- Provide Building and Safety services and supervise contract personnel.
- Interface with City staff as necessary for achieving responsibilities and compliance with this scope of work.

- Provide appropriate and timely follow-up on and resolution to complaints and matters regarding Building and Safety services.
- Prepare and present reports to City Management and City Council on Building and Safety matters including but not limited to Code updates for adoption.
- Conduct building investigations as directed by the City. This includes field and office research and the follow-up work such as appropriate preparation of letters and documents.

B. Plan Checks and Permit Issuance / Public Counter Assistance:

Perform reviews of construction plans for compliance with all applicable building, plumbing, electrical, grading, geological, fire, safety and other City codes for the issuance of building permits, and coordinate review of construction plans by all other agencies having jurisdiction concerning the implementation and enforcement of building, fire, health, safety, sanitation, air quality, and all other applicable codes. Providing these services would entail consultant staff presence at the Palos Verdes Estates City Hall to provide “over-the-counter” information and plan-checking services (when feasible and warranted) directly to the public as well as being available at other times for scheduled meetings at City offices and for telephone or written (generally by e-mail) responses to questions from City staff or from the public upon referral from City staff.

- Provide staff coverage at the public counter to meet with residents and businesses to process building and engineering permit applications and issue permits. Building counter hours are 8:00 a.m. – 10:00 a.m. each day with the exception of City holidays.
- Calculate and collect all necessary fees and permits for plan submission, permits and inspections utilizing City equipment (cash register, receipts, computer, etc.).
- Perform minor plan checks.
- Perform over-the-counter plan checks.
- Perform major plan checks.
- Consultant shall work with City to implement and administer an electronic plan check system.

The City places great emphasis on customer service. Therefore the maximum turn-around time for major plan checks is ten working days. Average response times are: first plan check of residential construction and commercial tenant improvements within five working days of initial submittal; commercial new construction within five working days of initial submittal; and any subsequent checks within five working days of re-submittal.

Inspections:

Conduct inspections of all phases of construction for compliance with approved plans and all applicable codes including but not limited to those relating to structural integrity, fire and life safety, electrical, plumbing, heating and air conditioning, as well as energy conservation, handicapped access, and site work. Inspection services will also cover enforcement of compliance with conditions of approval, provisions of City ordinances, and the requirements set forth on the plans for which the permit was issued.

- Inspections shall be performed on the next working day if requested prior to 4:00 p.m. or by the same working day as the inspection if work load allows.
- If inspection requests exceed the ability of one inspector to handle within an acceptable timeframe, the consultant shall provide for additional inspectors.
- Consultant shall provide telephone line and equipment for fulfilling all inspection responsibilities.
- An inspector fluent in English and Spanish is highly desirable but not mandatory.

C. Records:

Maintain records and files concerning construction permits and building code administration at City Hall or at such other locations as approved by the Planning and Building Director and the City Manager.

D. Reporting:

Keep daily logs of building permit and inspection activities and submit an itemized monthly report of all service activities to the Planning and Building Director. Reports to other agencies shall also be submitted as required by law, including development activity reports as required for compliance with the Los Angeles County Congestion Management (CMP) Program.

- Monthly Building and Safety reports and logs shall include number of permits, permit valuations, permit revenue, etc. and in comparison to prior month and same month in the prior year.
- Reports shall be maintained electronically in software that can be used for special reports and analysis, and be accessed by City staff.

ENGINEERING AND PUBLIC WORKS SERVICES

Engineering/Public Works operations encompass general engineering, traffic engineering, environmental services and capital projects. During FY 13/14, a total of 338 public works related permits were issued by the City. The City envisions these functions being performed by the consultant.

The scope of services for Engineering/Public Works Services shall include the following:

A. General Administration:

- When directed, analyze the City's capital improvement and engineering needs and prepare and administer long and short-range programs as authorized by the City.
- When directed, attend staff level meetings with City staff, public officials, community leaders, developers, contractors and the general public.

- When directed, attend City Council, Planning Commission, Traffic Safety Committee, community, and other meetings.
- Review and comment on planning programs and land development proposals.
- Recommend regulations and ordinances pertaining to civil engineering matters.
- When directed, provide technical assistance and direction to City personnel assigned to public works activities.
- Maintain engineering and project records and plans.
- Provide recommended actions for system improvements and maintain and update data to the City's digital geographic information and mapping systems, provided to the City by a separate consultant agreement, for public infrastructure and facilities.
- Advise the City as to engineering and construction financing and grants available from other governmental agencies and private entities and, when so directed, initiate and prepare applications for such funding or grants.
- Establish working relationships and coordinate with all other public agencies and private utilities involving engineering matters affecting the City.
- Coordinate, consult, and provide input to the County of Los Angeles, the Sanitation Districts and public utility providers on matters relating to water supply, water distribution, sewage collection, sewage disposal and treatment, storm water drainage, gas, electricity, telecommunications facilities (including cable and telephone), streets, encroachment permits, and other infrastructure.
- Administer compliance with the City's requirements pursuant to the National Pollutant Discharge Elimination System (NPDES), including implementation of NPDES requirements that apply to proposed private development and construction (through plan-checks) as well as to City facilities and capital improvement projects; and including inspections, reporting and enforcement measures addressing NPDES violations.
- Provide review and recommendations for the disposal franchise agreement to facilitate implementation and monitoring of the solid waste recycling programs.
- Review plans and issue City permits when required and warranted for any proposed construction work or other physical modification within the public rights-of-way, and also including but not limited to any proposed right-of-way encroachment (temporary or permanent), and proposed temporary street closures

- Conduct surveys and research, evaluate projects and project proposals, prepare and issue RFPs, develop budget and engineering estimates, make recommendations, prepare and present reports.
- In the performance of the services described above; be available for scheduled meetings at City offices and for telephone or written (generally by e-mail) responses to questions from City staff or from the public or other agencies, utilities, etc., upon referral from City staff.
- Maintain daily logs of permit and inspection activities and submit a report to the City and other agencies as required.
- Calculate and collect all necessary fees for permits, inspections, deposit accounts and other services provided by the City.
- Conduct and maintain training for consultant's personnel and City staff as needed. Consultant to maintain certifications and licenses as necessary for services described herein.

E. Development Review:

- Review proposed subdivision maps, parcel maps, boundary adjustments and legal descriptions for conformance with local and state ordinances and laws.
- Review proposed grading, drainage, and improvement plans for private and public development projects.
- Recommend conditions of approval for proposed development projects.
- Review and approve of land division final maps and improvement plans. The City expects average response times of within ten working days of initial submittal for a first plan check, and within one week of re-submittal for subsequent plan checks.
- Establish performance and labor and material bond amounts when required and require the posting of such securities and other development fees within the proper time sequence of such development review.
- Provide field inspections of work performed by private contractors for public and private construction projects, and at the proper time recommend notices of completion and acceptance of the work.
- Provide necessary related functions as is the normal practice of a City Engineer in reviewing private developments.

F. Capital Projects Administration:

- Provide short- and long-range capital project and program planning and budget including assisting the Planning and Building Director and designated staff in the maintenance and implementation of the City's capital improvement program.
- Provide preliminary and final design of a full range of City improvements such as storm drains, streets, traffic signals, safety lighting, sewer/water systems, landscaping and irrigation and sidewalks.
- Prepare bid documents, specifications, contracts and RFPs.
- Provide surveying and engineering design services for capital improvement projects, coordination with engineering departments of other city/county/state agencies as needed, assessment district engineering/cost estimates and fair share distribution of costs for projects, and consultant contract administration as necessary.
- Estimate costs for specific projects and overall annual budgets for capital improvement projects.
- Investigate funding opportunities for projects and prepare applications where appropriate.
- Perform construction inspections and quality control oversight of public works projects and privately funded improvements in public rights-of-way.
- Administer contracts for public works projects.
- Administer slurry seal, overlay and patching program.
- Perform construction management.

G. Traffic Engineering:

- Periodically review the condition of existing traffic control facilities and prepare an annual recommended plan of maintenance. Assist in the preparation of traffic management related portions of the City's operational and capital improvement budget.
- As directed by the City, review all traffic engineering requests for services, route staff reports to appropriate reviewing personnel, and prepare letters regarding traffic engineering functions.

- As directed by the City, investigate traffic engineering related matters and prepare reports with alternatives and recommendations for consideration by the City.
 - Provide traffic engineering review of proposed development projects including reviews of precise plans of design, conditional use permits, tentative tract maps, and similar projects, making recommendations on traffic impact mitigations and on overall circulation patterns, parking designs/layout, signing, striping, marking and minor changes to existing facilities.
 - Inspect traffic control devices and projects as they are being installed or constructed. Recommend bond amounts required for traffic engineering improvements and recommend release of bonds for completed traffic engineering facilities.
 - Provide input and assistance to City staff in developing the optimum capabilities and efficiency of the traffic engineering program.
 - Provide special traffic engineering studies which may be needed to augment both field observations and the review of existing traffic accident, traffic speed and traffic volume data.
 - Advise the City of grants potentially available to the community for alleviating identified traffic related problems and advise the City of potential funding trades and exchanges with other agencies.
 - Administer funding applications/expenditures.
 - Review the condition of traffic infrastructure including roadways, sidewalks, curb/gutter, markings, signage, etc. and implement a proactive maintenance plan.
 - Prepare and issue bids and RFPs, and administer contracts.
 - Perform the statutory functions of the Traffic Engineer pertaining to the review and approval of plans, projects and proposals. The City expects average response times of within ten working days of initial submittal for plan review.

H. Other Requirements:

- Consultant shall provide and maintain technical training for its staff and City staff as appropriate to coordinate and improve the functions of the Department and the consultant.
- Consultant shall maintain necessary certifications and professional licenses for services provided.
- Provide all clerical and administrative support, and equipment, resources and tools for services herein described.

EXHIBIT B

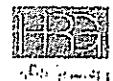
City of Palos Verdes Estates
Building & Safety, Engineering, and Public Works Services

Cost Proposal



Reimbursement on an Actual Service Basis

<u>CLASSIFICATION</u>	<u>HOURLY RATE</u>	<u>PREVAILING WAGE HOURLY RATE</u>
Principal-in-Charge/Program Manager	\$195	
<u>Building & Safety</u>		
Senior Building and Safety Official -	\$135	
Deputy Building Official/Senior Building Inspector -	\$105	
Senior Plan Check Engineer -	\$135	
Plan Check Engineer -	\$130	
Senior Building Inspector -	\$105	
Building Inspector (Combination)-	\$ 95	
Senior Building Plan Checker -	\$110	
Building Plan Checker -	\$ 95	
Code Enforcement Officer –	\$ 70	
Permit Technician -	\$ 75	
Administrative Assistant -	\$ 55	
<u>Public Works / Engineering</u>		
City Engineer	\$155	
Senior Professional Engineer	\$145	
Traffic Engineer	\$130	
Professional Engineer	\$140	
Associate/Assistant Engineer	\$100	
Environmental Associate	\$100	
Designer	\$110	
CADD Drafter	\$ 85	
Survey Crew (2-person)	\$230	
Civil Plan Check Expert	\$165	
Plan Checker	\$135	
Public Works Technician	\$100	
Management Analyst	\$115	
Construction Manager	\$140	
Senior Public Works Inspector	\$120	\$165
Public Works Inspector	\$ 95	\$135
Administrative Assistant -	\$ 55	
<u>City Forestry</u>		
City Arborist	\$175	



Cost Proposal



Professional Reimbursement and Overtime:

The hourly billing rates include the cost of salaries of the HR Green employees, plus sick leave, vacation, holiday and other fringe benefits. The percentage added to salary costs includes indirect overhead costs and fee (profit). For overtime all employees classified as "non-exempt" by the U.S. Department of Labor will be compensated at 1-1/2 times salary, as per state and Federal wage and hour laws. Billing rates will be calculated accordingly for these overtime hours. Subconsultants will be billed at the applicable classification rates listed above + 10%.

Expedited Review:

Should the City request expedited reviews, the percentage surcharge for these expedited plan reviews will be 125%.

Prevailing Wages:

Please note that for prevailing wage projects the total project cost can be higher than HR Green would otherwise charge. For prevailing wage projects, the billing rates for straight time will be as shown above. Overtime, weekend, holiday, and other special pay rates defined by the State of California Department of Industrial Relations Group II "Construction Inspector and Field Soils and Materials Tester" will be multiples of the straight hourly rates shown. Overtime and Saturday work will be billed at 1-1/2 times that shown above. Sunday and State Holidays will be billed at 1-3/4 times that shown above.

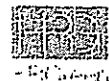
The rates provided are based on the prevailing wage determination at the time of the proposal. In years marked with a double asterisk (**) by the Department of Industrial Relations, the rates will be adjusted on the effective dates established by the State and pursuant to the pre-determined escalation rates.

Direct Expenses:

Reimbursement for direct expenses, as listed below, incurred in connection with the work, will be at cost plus ten (10) percent (Unless otherwise negotiated with the City) for Items such as:

- a. Maps, photographs, reproductions, printing, equipment rental and special supplies related to the work.
- b. Subconsultants and other outside services, if needed.
- c. Specific telecommunications and delivery charges.
- d. Special fees, insurance, permits, and licenses applicable to the work.
- e. Outside computer processing, computation, proprietary programs purchased for the work and other equipment.

Our hourly fees/rates shall remain effective through December 31, 2015 and may be adjusted annually thereafter based on the CPI for Los Angeles County, or as negotiated and agreed to by the City.



Cost Proposal



Staffing		Estimated Annual # of Billable Hours	Proposed Hourly Rate	Estimated Annual Billable Amount
Principal In Charge	George	Monthly As Needed		No Charge*
Building and Safety	Estimated hours. Actual cost based on agreed to percentages shown below			
Senior Building Official	Reggie M.	1456	\$135	\$196,560
Deputy Building Official	Rick B.	528	\$105	\$55,440
Building Inspector	TBD	500	\$95	\$47,500
Sr. Plan Checker	BJ A.	416	\$110	\$45,760
Sr. Plan Check Engineer	Structural	190	\$135	\$25,650
Permit Technician	Adam T.		\$75	\$0
Total Estimate Building and Safety		3090		\$370,910
Public Works/Engineering				
City Engineer	Ken R.	1152	\$155	\$178,560
Traffic Engineer	Rob O.	480	\$130	\$62,400
Associate Engineer	TBD	1200	\$100	\$120,000
Assistant Engineer	TBD	1104	\$100	\$110,400
Civil Plan Checker-Professional	Tina	384	\$135	\$51,840
Environmental Associate	Bob	80	\$100	\$8,000
Public Works Inspector	Scott/Leighton	600	\$95	\$57,000
Total Estimate Public Works/Engineering		5000		\$588,200
Total Estimate of Building and Safety and Public Works/Engineering		8090		\$959,110
Note: Cost of services will not exceed any agreed upon CAPPED amounts				
BUILDING & SAFETY COMPENSATION BASED ON PERCENTAGE OF FEES COLLECTED (Cumulative Compensation. Based on percentage within each tier)				
FEE RELATED REVENUE	HR GREEN COMPENSATION			
< \$200,000	70%	Up to \$ 140,000		
\$200,000 - \$400,000	55%	Up to \$ 110,000		
> \$400,000	50%			
Minimum annual compensation of \$ 330,000				
PUBLIC WORKS/ENGINEERING COMPENSATION BASED ON AGREED TO HOURLY RATES				
HR GREEN COMPENSATION	PER EXHIBIT B	Agreed to hourly rates		
CAPITAL IMPROVEMENT PROGRAM BILLING				
PROJECT CONSTRUCTION COST ESTIMATE		HR GREEN COMPENSATION		
< \$500,000		8 - 12%		
> \$500,000		6 - 10%		

* Unless services are specifically requested by the City.

