

# Modification of Agreement #3

## Consultant Contracts

This Agreement is made this 8<sup>th</sup> day of February, 2013, in the City and County of San Francisco.

Whereas, the City & County of San Francisco and Harris & Associates, Inc. have entered into an Agreement to provide financial consulting services to advise the department on the interpretation of existing agreements, the determination of reimbursable expenses, the setting of cost allocation and acquisition reimbursement protocols, the review of reimbursement requests, and the recommendation of payments for the San Francisco Community Facilities Districts No. 4 & No.6 (Mission Bay Development) and

Whereas, the parties now desire to modify the Agreement as described in Attachments A and A-1, now, therefore the parties agree as follows.

### The City will:

Add  Deduct the sum of \$ \$1,900,000 for changes described in the referenced attachment.

Add  Subtract 457 calendar days To  From  the original Agreement or the latest modification as described in the referenced attachment.

In all other respects, the original Agreement and all modifications thereto shall remain in full force and effect.

### CITY & COUNTY OF SAN FRANCISCO

### CONSULTANT


Recommended:

  
\_\_\_\_\_  
Grace Kwak, Contract Manager

  
\_\_\_\_\_  
Patrick Rivera, Division Manager,  
Infrastructure Design & Construction

  
\_\_\_\_\_  
Fuad Sweiss, Deputy Director & City Engineer  
Department of Public Works

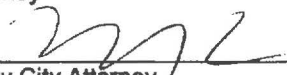
Approved:

  
\_\_\_\_\_  
Mohammed Nuru, Director  
Department of Public Works

  
\_\_\_\_\_  
Naomi Kelly, City Administrator

  
\_\_\_\_\_  
Jack Feng, Director of the Office of Contract  
Administration / Purchasing

Approved as to Form:  
Dennis J. Herrera  
City Attorney

  
\_\_\_\_\_  
By Deputy City Attorney

\_\_\_\_\_  
Harris & Associates, Inc.  
Name of Consultant Firm

\_\_\_\_\_  
1401 Willow Pass Road, Suite 500  
Address

\_\_\_\_\_  
Concord, CA 94520  
City, State, Zip

  
\_\_\_\_\_  
By (Signature)

\_\_\_\_\_  
Michael A. Motil Sr. V.P.  
Name & Title

## ATTACHMENT A – Modification #3

Pursuant to Section 3 (*Term of the Agreement*), Section 6 (*Compensation*), and Section 34 (*Modification of Agreement*) of the Agreement (DPW Order No.: 176,288) between the City and County of San Francisco and Harris & Associates, Inc., to provide financial consulting in acquisition reimbursement and cost allocations in conjunction with Mission Bay Development – Community Facilities District no. 4 and No. 6, the term of the Agreement shall be extended by Four Hundred Fifty Seven (457) days, and the amount of the Agreement shall be increased by One Million Nine Hundred Thousand Dollars (\$1,900,000) for additional services as referenced herein as Attachments A and A-1.

The total contract amount as modified shall not exceed \$5,149,000 and completion date is to be extended through May 14, 2015.

Attachment A stipulates that the following section (below) shall be incorporated into the Agreement between the City and County of San Francisco and Harris & Associates, Inc.

63. Automated Clearing House (ACH) “electronic” payments

The City will issue payments to Contractor through the City's electronic payment system called PayMode-X®. Contractor acknowledges and agrees to receive payment electronically through this system. Contractor shall not be entitled to any additional cost or charge under this Contract for using or failing to use the electronic payment system. Nor shall Contractor be entitled to any additional cost or charge for delays or failures of the electronic payment system to complete a payment transaction.

***THIS SECTION INTENTIONALLY LEFT BLANK***



**Harris & Associates.**  
*Shaping the Future. One Project at a Time.*

February 8, 2013

Ms. Grace Kwak, Project Manager  
Mission Bay Task Force  
30 Van Ness Avenue, Suite 4200  
San Francisco, CA 94102

**Re: Proposal for Modification to Professional Services Agreement PSC# 176288  
for the Mission Bay Development Reimbursement Audit Services**

Dear Ms. Kwak:

As discussed, an increase in the authorized amount for our Mission Bay Development Services agreement is needed so that we can continue to provide reimbursement audit services on this important project. The total allowable compensation under our current agreement (thru Modification #2) is \$3,249,000 and the completion date is February 11, 2014. To date we have invoiced the City a total of \$3,208,132.84.

Harris is recommending an increase of \$1,900,000 which is an estimate of the effort we anticipate may be required for the next two years (through May, 2015) and is based on the following:

- Harris has completed reimbursement audits on more than \$208 million in projects since January, 2007, an average of \$2.9 million per month. Our average billing during the contract period to date has been an average of \$53,100 per month.
- For 2012, Harris recommended \$23.3 million in reimbursements to Mission Bay Development Group (MBDG) based upon the submittals we reviewed, and it is anticipated that this level of submittals will continue in the coming months.
- Many of the reimbursement request submitted this past year included older mixed-facility soft-cost and Exhibit C reviews that are very complex and take additional research and time to review.
- Based on the historical level of effort required, taking into consideration the complexity of some of the remaining submittals, the higher level of staff required for these complex reviews, it is estimated that the level of effort which may be required through mid-May 2015 could be \$1,900,000. This is based upon the following assumptions, total remaining reimbursement audits to be submitted of up to \$95 million and a maximum level of effort of approximately \$70,000 per month based upon our historical costs. Actual costs will be based upon the number of reimbursement audits actually submitted and the reimbursement amount(s) requested by Mission Bay Development Group (MBDG).

Therefore, we would request that our current agreement be amended to provide a total allowable compensation not to exceed \$5,149,000 which is an increase of \$1,900,000. We would also request that the agreement period be extended until May, 2015.

If you have any questions or need any additional information, please contact me at 800-827-4901 x2326 or at [kklingelhofer@harris-assoc.com](mailto:kklingelhofer@harris-assoc.com).

Sincerely,

**Harris & Associates**

K. Dennis Klingelhofer, PE  
Manager of Financial Engineering