

Modification of Agreement - #2

Consultant Contracts

This Agreement is made this 23rd day of April 2010, 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 0 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

Approved

Barbara L. Ly
Bureau Head

Harris & Associates, Inc.

Name of Consultant Firm

Approved

Edward D. Reiskin
Director of Public Works

1401 Willow Pass Road, Suite 500

Address

Approved

Naomi Kelly
Director of Purchasing

Concord, CA 94520

City, State, Zip

Approved

Edwin M. Lee, City Administrator

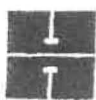
By (Signature)

Approved as to Form:

Dennis J. Herrera
City Attorney

By Deputy City Attorney

Byron G. Tobey, Jr., PE, Vice President
Type Name & Title



Harris & AssociatesSM

*Shaping the Future, One Project at a Time*SM

April 22, 2010

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# 176,288
for the Mission Bay Development Reimbursement Audit Services**

Dear Ms. ~~Kwak~~: *Grace*

As we have discussed, an increase in the authorized amount for our Mission Bay Development Services agreement is needed.

Harris is recommending an increase of \$1,900,000 which is an estimate of the effort required for the next two years and is based on the following:

- Harris recommended \$54.4 million in audited costs in calendar year 2009 and invoiced the City \$513,000 for these services.
- Mission Bay Development Group (MBDG) is estimating \$80 million in reimbursements to be audited and recommended in 2010, which is a 50% increase in recommended amount over 2009.
- Parts of the audit backlog are older mixed-facility soft-cost reviews that are very complex and take additional time to review.
- Based on the above, taking into consideration the complexity of some of the remaining submittals, the higher level of staff required for these complex reviews and the cost of living increases in future years, it is estimated that this year's \$80 million in recommendations will require approximately \$923,400 in effort ($\$513,000 \times 1.5$ workload increase $\times 1.2$ in staff time = \$923,400).
- If the same effort is required in the following year, then the effort is estimated at $\$923,400 \times 1.1$ in cost of living increases = \$1,015,740.

Therefore, for the combined two years of effort, it is estimated that \$1,923,140 is required, or roughly \$1,900,000. This amount would take us through April 2012.

Our team is excited about the opportunity of continuing our working relationship with the City and County of San Francisco on this challenging project. If you have any questions or need any additional information, please contact me at 800-827-4901 x2337 or at jcox@harris-assoc.com.

Sincerely,

Harris & Associates

Joan E. Cox, PE
Vice President
Manager of Financial Engineering

ATTACHMENT A – Modification #2

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 zero (0) days, and the amount of the Agreement shall be increased by One Million Nine Hundred Dollars (\$1,900,000), for additional services as referenced herein as Attachment A-1.

The total contract amount as modified shall not exceed \$3,249,000 and completion date is to remain as February 11, 2014.

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