

CITY OF GARDEN GROVE

AMENDMENT NO. 2

Project Finance Advisory Limited

This Amendment No. 2 to Professional Services Agreement ("Amendment No. 2") is made and entered into on January _____, 2023, by and between the **CITY OF GARDEN GROVE** ("CITY") and **PROJECT FINANCE ADVISORY LIMITED** ("CONSULTANT").

WHEREAS, CITY and CONSULTANT previously entered into that certain Professional Services Agreement dated July 12, 2022, for CONSULTANT to provide project feasibility and project management consulting services for the Garden Grove Civic Center Project and implement Phase 1 of the Scope of Services (the "Original Agreement"); and

WHEREAS, the Original Agreement was amended by Amendment No. 1 to increase the contract price in the amount of \$18,145.00 to cover additional services; and

WHEREAS, Amendment No. 1 incorrectly stipulates that the \$18,145.00 increase was an annual compensation rather than an addition to the total not to exceed contract amount; and

WHEREAS, the Original Agreement, Amendment No. 1, and this Amendment No. 2 are hereby referred to collectively herein as the "Agreement;" and

WHEREAS, through this Amendment No. 2, CITY and CONSULTANT wish to proceed with implementation of Phases 2 and 3 of the Scope of Work to develop a Request for Qualifications/Proposals to select a preferred developer for the implementation of the Garden Grove Civic Center Project and finalize the design, build and finance agreement with the selected developer.

Now, therefore, it is mutually agreed, by and between the parties as follows:

1. Amendment to Section 2 of the Agreement. Section 2 of the Agreement is hereby amended to add the Phases 1 and 2 services identified in **Attachment A** herein.
2. Amendment to Section 3 of the Agreement. Section 3 of the Agreement is hereby amended to increase the total compensation under the Agreement to the not to exceed amount of \$1.3 million to cover the additional costs to implement Phases 2 and 3 of the Scope of Work pursuant to **Attachment A**.
3. Clarification as to Amendment No. 1. CITY and CONSULTANT agree that Amendment No. 1 increased the original contract amount by \$18,145.00.
3. Except as expressly amended by Amendment No. 1 and this Amendment No. 2, all terms of the Original Agreement shall remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to be executed by their respective officers duly authorized on the dates set forth below.

"CITY"

CITY OF GARDEN GROVE

By: _____
Scott C. Stiles, City Manager

Date: _____

ATTESTED

City Clerk

Date: _____

APPROVED AS TO FORM

City Attorney

Date: _____

"CONSULTANT"

**PROJECT FINANCE ADVISORY
LIMITED**

By: _____

Name: _____

Title: _____

Date: _____

If CONSULTANT is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to CITY.

PHASE 2 AND 3 BUDGET

The procurement process to be carried out in Phases 2 and 3 have been informed by the conclusions and recommendations in Phase 1 and the decisions of City Council on the preferred procurement methodology. For purposes of this BAFO, we have focused specifically on describing the process to identify a developer to design and build the Public Safety Facility, parking structure, and revised Civic Center Park.

Throughout Phases 2 and 3, PFAL will perform project management and coordination, provide strategic input and advice, maintain an issues list and meeting schedules, and assist in protecting the City’s interests.

The important deliverables during Phase 2 are:

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|--|--|
| Evaluation Criteria | PFAL will work with the City early on to develop the evaluation criteria that will be used to assess qualifications and proposals. Putting this work at the front of the procurement helps to align stakeholder views about what the City is looking for in its P3 partner and how they will be selected. It also is helpful to have this information to hand prior to initiating a marketing process for the project. |
| Marketing Collateral | PFAL will develop a 1-pager and press release to share with industry participants and publications to assist in summarizing the project to the market so that teams can begin to form prior to the initiation of the procurement. |
| Procurement Documents | PFAL will work in close conjunction with the City’s engineer, technical staff, lawyers and external counsel, and the end users of the facility to help the City define and draft the RFQ and drop-down documents such as Technical Requirements and performance specifications. These documents will shape the procurement and impact the competitive dynamics that will drive value. |
| Draft DB contract | Ideally, this document will allocate financial and technical risks to the Project parties best able to manage those risks. The team, along with the City’s lawyers and possible external counsel, will play an active role in ensuring that the City’s interests are protected while looking to allocate delivery risks in the most efficient manner. |
| Draft Design and Technical Specifications | The team will describe, in narrative form, the project elements that are required to be included in the final design. |

The important deliverables during Phase 3 are:

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| Final Exclusive Negotiation Agreement, Design Build Agreement | PFAL will support and lead negotiations with the Developer to finalize the exclusive negotiation agreement and design build agreement including all design and technical components. PFAL will advise of any issues under the terms of the Negotiation Agreement. |
| Financing Plan | PFAL will review the developer’s financial plan and address and risks and concerns prior to execution. PFAL will also oversee and monitor the financial close process to ensure compliance with the approved financing strategy. |
| Project Cost Update and Transition | The PFAL team will update the Project’s cost model and develop materials to assist the City in managing the construction process. |

DBF Delivery Method – Expected Timing

| Timing of Initiation | DBF – Exclusive Negotiation Agreement Delivery | |
|----------------------|--|---|
| PHASE 2 | Month 0 | CEQA review begins/preferred site identified |
| | Month 1 | Draft evaluation criteria, RFQ, and design and technical specifications for all facilities |
| | Month 1 | Stakeholder engagement - coordination with Placeworks, Presentations to City Council, etc. |
| | Month 1 | Finalize feasibility work and funding plan |
| | Month 2 | Market outreach, RFI and convention circuit to gather feedback and publicize project |
| | Month 4 | Develop Performance Specifications, Room Data Sheets, Department Adjacency Diagrams |
| | Month 4 | Optional Task: Site visits/tours |
| | Month 6 | City Council Approval |
| | Month 6 | Procurement marketing and pre-bid meeting |
| PHASE 3 | Month 7 | Initiate Exclusive Negotiation Procurement – RFQ release |
| | Month 8 | Approve ENA RFQ shortlist |
| | Month 8 | Shortlist, Interviews, Select Developer |
| | Month 8-9 | CEQA review ends, site confirmed |
| | Month 9 | Negotiate, approve, and execute PDA with selected Developer Scope and budget adjustments as needed |
| | Month 9 | Negotiate design build contract, finalize design and guaranteed max price |
| | Month 10-14 | Scope and budget adjustments as needed |
| | Month 14 | Finalize DBF Agreement Approve and execute DBF Agreement |
| | Month 15 | ENA Phase Work ends Financial Close Notice to Proceed Design & Construction Commences |
| | Month 33 | Occupancy DATE TBD (based on construction period) |

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|-----------------|--|------------------------|---------------|
| Project: | Garden Grove PSF P3 Consolidated Budget/Stage 2 | Estimated Project Cost | \$108,000,000 |
|-----------------|--|------------------------|---------------|

(A) Stage 2 Budget

| \$ | Phase 2 | Phase 3 | Total |
|-----------------|-------------------|-------------------|------------------------|
| PFAL | 242,372.00 | 385,593.00 | \$ 627,965.00 |
| HOK | 110,550.00 | 68,300.00 | \$ 178,850.00 |
| Altus | 32,730.00 | 68,580.00 | \$ 101,310.00 |
| Dharam | 35,700.00 | 50,680.00 | \$ 86,380.00 |
| HR&A | 17,640.00 | 66,520.00 | \$ 84,160.00 |
| Total | 438,992.00 | 639,673.00 | \$ 1,078,665.00 |

(B) Task Budget (Without Legal)

| Phase 2 - Procurement Preparation and Launch | Task Description | Task Parameters | Phase 2 |
|--|--|--|----------------------|
| 1 | Project management over 6 months, strategic advice on procurement and approvals | Weekly calls with City, subcontractor team, invoicing, issues list maintenance, schedule maintenance and coordination, strategic advice on procurement and approvals | \$ 25,632.00 |
| 2 | Develop Evaluation Criteria, RFQ, City Council approval of documents | One workshop; presentation; procurement strategy memo and updated schedule; coordinate with legal counsel, subcontractors, to develop RFQ; assumes no more than 5 turns of the RFQ; develop Project Agreement Term Sheet | \$ 142,788.00 |
| 3 | Market outreach, RFI and convention circuit to gather feedback and publicize project | Assist in developing marketing materials (one-page project description), develop questions, attendance at conference (agenda setting, schedule coordination) or market sounding by phone/questionnaire, review market sounding responses and make recommendations on items to add in to RFQ, present findings to City project team or City Council | \$ 28,404.00 |
| 4 | Two Workshops | Workshops with relevant personnel to discuss key issues (i.e. risk allocation, delivery methodology, design and performance criteria, financing strategies, etc.) | \$ 28,106.00 |
| 5 | Finalize feasibility work, research alternative funding sources | Funding plan finalization, Confirm Legal Authority for solicitation approach, finalize project definition and review CEQA documents | \$ 20,920.00 |
| 6 | Procurement marketing including pre-bid meeting, prepare data room | Press releases, pre-bid meeting including site visit | \$ 10,234.00 |
| 7 | Stakeholder engagement - coordination with Placeworks, Presentations to City Council, etc. | Presentations and participation in community workshops, study sessions, city council meetings | \$ 13,014.00 |
| 8 | Develop Performance Specifications | Including design and technical input to procurement documents, performance specifications, develop technical evaluation rubric | \$ 122,004.00 |
| 9 | Room Data Sheets | To be included in RFQ or Project Agreement | \$ 15,350.00 |
| 10 | Department Adjacency Diagrams | To be included in RFQ or Project Agreement | \$ 14,300.00 |
| 11 | Optional Task: Site visits/tours | 3 facilities tours with HOK and PFAL personnel | \$ 18,240.00 |
| Total | | | \$ 438,992.00 |
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| Phase 3 - RFQ, ENA, and Financial Close | | | Phase 3 |
|---|--|---|----------------------|
| 12 | Project Management over 9 months | Weekly calls with City, subcontractor team, invoicing, schedule maintenance and coordination, strategic advice and maintain issues list | \$ 38,841.00 |
| 13 | Launch RFQ | Support RFQ launch, provide schedule updates and review RFIs | \$ 50,192.00 |
| 14 | Respond to RFIs - not to exceed hours | All parties | \$ 49,260.00 |
| 15 | Attend one round confidential meeting (2 days) | HOK only | \$ 16,500.00 |
| 16 | Attend 3 rounds confidential meeting (6 days) | PFAL | \$ 88,756.00 |
| 17 | Review and evaluate qualification packages/facilitate selection | Review bidder submittals, prepare presentation materials, present to staff and City Counsel | \$ 25,673.00 |
| 18 | High-level proposal compliance review for design intent | HOK review | \$ 32,300.00 |
| 19 | Stakeholder buy-in including preliminary schematics | Updates to public, city council, city departments, etc | \$ 9,654.00 |
| 20 | Develop Design Build Contract and Financing Agreements | Coordinate with legal counsel and subs to develop full suite of documents | \$ 72,788.00 |
| 21 | Technical input to procurement documents, performance specifications, technical evaluation | Negotiation of technical elements of the DB contract | \$ 7,722.00 |
| 22 | Manage dataroom | Update files, monitor access, review and triage RFIs, prepare draft RFI responses | \$ 20,437.50 |
| 23 | Negotiate DBC, final design, financing agreements with bidder | Assume 7 weeks of active negotiations, includes technical and cost input | \$ 133,968.00 |
| 24 | Update Project Cost ROM and proposed construction schedule | Cost oversight and verification | \$ 6,435.50 |
| 25 | Review and evaluate final proposal/facilitate selection | Review final proposal, cost implications, financing strategy | \$ 58,760.00 |
| 26 | Financial close process oversight and coordination | Review closing process and procedures, provide commentary | \$ 16,122.00 |
| 27 | Transition training | Compliance monitoring spreadsheet, white paper post close, lessons learned summary | \$ 12,264.00 |
| Total | | | \$ 639,673.00 |

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| Total Budget for Phase 2 and 3 | \$1,078,665.00 |
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| Phase 2 Schedule | | | | | | |
|--|---|---|---|---|---|---|
| Month Number | 1 | 2 | 3 | 4 | 5 | 6 |
| Project management over 6 months, strategic advice on procurement and approvals | | | | | | |
| Develop Evaluation Criteria, RFQ, City Council approval of documents | | | | | | ★ |
| Market outreach, RFI and convention circuit to gather feedback and publicize project | | | | | | |
| Two Workshops | | | | | | |
| Finalize feasibility work, research alternative funding sources | | | | | | |
| Procurement marketing including pre-bid meeting, prepare data room | | | | | | |
| Stakeholder engagement - coordination with Placeworks, Presentations to City Council, etc. | | | | | | |
| Develop Performance Specifications | | | | | | |
| Room Data Sheets | | | | | | |
| Department Adjacency Diagrams | | | | | | |
| Optional Task: Site visits/tours | | | | | | |

| Phase 3 Schedule | | | | | | | | | |
|--|---|---|---|----|----|----|----|----|----|
| Month Number | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| Project Management over 9 months | | | | | | | | | |
| Launch RFQ | | | | | | | | | |
| Respond to RFIs - not to exceed hours | | | | | | | | | |
| Attend one round confidential meeting (2 days) | | | | | | | | | |
| Attend 3 rounds confidential meeting (6 days) | | | | | | | | | |
| Review and evaluate qualification packages/facilitate selection | | | | | | | | | |
| High-level proposal compliance review for design intent | | | | | | | | | |
| Stakeholder buy-in including preliminary schematics | | | | ★ | | | | | |
| Develop Design Build Contract and Financing Agreements | | | | | | | | | |
| Technical input to procurement documents, performance specifications, technical evaluation | | | | | | | | | |
| Manage dataroom | | | | | | | | | |
| Negotiate DBC, final design, financing agreements with bidder | | | | | | | | | |
| Update Project Cost ROM and proposed construction schedule | | | | | | | | | ★ |
| Review and evaluate final proposal/facilitate selection | | | | | | | | | |
| Financial close process oversight and coordination | | | | | | | | | |
| Transition training | | | | | | | | | |