MEMORANDUM

Date: March 22, 2012

To: California State Lottery Commission

From: Robert T. O'Neill
Director

Prepared By: Terry Murphy
Deputy Director, Operations

Subject: Item 9(d) – BroadSpec, Inc. Contract Amendment

ISSUE

Should the California State Lottery Commission (Commission) approve the amendment of the BroadSpec, Inc. (BroadSpec) contract to extend the expiration date from May 31, 2012 to December 31, 2012 and add $15,000?

RECOMMENDATION

California State Lottery (Lottery) staff recommends that the Commission approve Amendment 4 of Contract 14739 that increases the amount and extends the term of the current contract.

BACKGROUND

BroadSpec acts as the Lottery's Inspector of Record (IOR) and building official to support the construction of the new Lottery headquarters facility. These services are needed to ensure compliance with the California Building Code and the approved Construction Documents. The IOR works with the project team to minimize or mitigate any delays, additional costs, or non-conforming work. Also, the IOR assists the contract manager with review and reconciliation of the construction contractor's monthly invoices. BroadSpec's current contract term is from April 19, 2010 through May 31, 2012. Amendment 1 updated the contract with the Lottery's new address. Amendment 2 increased the contract by $50,000. Amendment 3 extended the term from December 31, 2011 to May 31, 2012. The current contract amount is $295,000.

DISCUSSION

The purpose for this term extension is to allow for IOR services for the demolition of the 600 North 10th Street building and associated site work, the visitor parking area and associated off-site work, creation of pedestrian access to Signature Street and the new light-rail station, and tenant improvement construction for the balance of the retail space.

The additional funds are associated with site work and tenant improvements.