



M E M O R A N D U M

Date: February 23, 2012

To: California State Lottery Commission

From: Robert T. O'Neill
Director

Prepared By: Terry Murphy
Deputy Director, Operations

Subject: Item 9(b) – Ratification Request of BroadSpec, Inc. Contract Amendment No. 2

ISSUE

Should the California State Lottery Commission (Commission) ratify BroadSpec, Inc. Contract No. 14739 Amendment No. 2 that was approved by Acting Director Linh Nguyen on July 22, 2011?

RECOMMENDATION

Staff recommends that the Commission ratify the amendment to increase the contract amount of BroadSpec Contract 14739.

BACKGROUND

On April 30, 2010 the California State Lottery (Lottery) entered into a \$245,000.00 contract with BroadSpec, Inc. to procure Inspector of Record services to support construction of the new Lottery headquarters facility.

The BroadSpec contract provides the Lottery with Inspector of Record services on the new headquarters project. They have played a key role in the successful delivery of the headquarters project. Their services include observation of construction work to ensure code and aesthetic compliance. Additionally, BroadSpec assists with the monthly processing of invoices from Otto Construction and the reconciliation of those invoices with work completed and subcontractor invoicing. Although Lottery staff has moved into the new building, the final closeout of punch list items and the reconciliation of invoicing took longer than had been anticipated. Because of this, additional BroadSpec resources were needed to close out the project.

Because the additional resources were not anticipated until July 2011 and there was not another Lottery Commission meeting scheduled until October, an Issue Memo requesting an amendment to increase the contract amount from \$245,000 to \$295,000 was approved by the Director based on authority that is granted by Lottery Reg, E, 12.c, Contract Approval By the Lottery Commission, which states:

“If circumstances require work under a particular contract to commence prior to the next Commission meeting, the director may authorize the execution of the contract with simultaneous notification to the Chairman of the Commission. The Director’s execution of the contract shall be presented to the Commission for ratification at the next regularly scheduled commission meeting.”

DISCUSSION

The Commission did meet on October 6, 2011; however, this request for ratification was inadvertently not included on the October 6th agenda.