



CITY OF RAPID CITY

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PLANNING DEPARTMENT

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MEMORANDUM

TO: Legal and Finance Committee

FROM: Marcia Elkins, Planning Director

DATE: December 6, 2000

RE: Benfield Group Contract Modification Request

The Benfield Group has submitted a final bill requesting reimbursement from the City of Rapid City of an additional \$5,963.46 for the Recreation and Wellness Center Feasibility Analysis. As you may recall, the City Council approved a contract with the Benfield Group in a "not to exceed" amount of \$58,500. The expenses associated with this contract were split with the Rapid City Regional Hospital on a 50-50 basis. To date, the City has paid Benfield one-half of the approved amount or \$29,250.

While the contract specified a "maximum limiting amount" of \$58,500, the consultant and the Rapid City Regional Hospital staff have interpreted the contract as indicating that the maximum consulting fee is \$58,500. In addition, they believe that the direct expenses (not to exceed \$15,000) were to be paid on top of the consulting fee for a maximum dollar amount of \$73,500.

The Benfield Group has submitted their final billing in the amount of \$70,426.92 (\$51,600 for consulting fees and \$18,826.92 for direct expenses). The City's share of that amount would be \$35,213.46. Rapid City Regional Hospital has paid the consultant that amount.

Staff has identified three options:

- 1) The City can stand by their original "not to exceed" amount and make no additional payments.
- 2) The City can pay Benfield for the \$51,600 for professional fees and up to the maximum amount specified for direct costs of \$15,000, or a total of \$66,600. The City's half would be \$33,300. This option would require the Council to authorize an increase in the maximum limiting amount of the contract and would require an additional allocation of \$4,050.



EQUAL OPPORTUNITY EMPLOYER

3) The City can pay Benfield the full amount requested \$70,426.92. The City's half would be \$35,213.46 and this would match the amount already paid by Rapid City Regional Hospital. This option would require the Council to authorize an increase in the maximum limiting amount of the contract and would require an additional allocation of \$5,963.46.

I was not party to all of the meetings with the consultants and nor was I involved in the discussions with the consultant relative to what trips and meetings were requested, etc. As a result, I can not make a recommendation based on personal knowledge as to what trips were requested and what work was required. However, in discussions with Alan Hanks and Joe Lynn (from the Rapid City Regional Hospital) it appears that there were additional requests made of the consultant that would most fairly be reimbursed pursuant to Option 3.

Staff is aware of two alternative funding sources:

1) Council Contingency; or,

2) Urban Planning Division Budget. Because of the time commitment to the "paperless packet" project, staff has not been able to proceed with the imaging project. Earlier in the year, the Council authorized shifting some of the funds allocated for the imaging project to purchase a scanner for the paperless packet project. At the December 27, 2000 committee meeting, staff will be requesting that up to \$5,000 of the funding allocated to the imaging project be shifted to a consulting contract for the redesign of the City's web page. With the Council's approval of both of those projects there would still be up to \$6,000 that was originally allocated for the imaging project available to pay the additional expense associated with the Benfield contract. Please note that in future years, staff may submit a request to fund the imaging project as staff time allows.

Recommendation: Authorize an increase in the contract amount with the Benfield Group for the Recreation and Wellness Center Feasibility Analysis of \$11,926.92 (one half or \$5,963.46 to be paid by the City of Rapid City) with the Council to determine the funding source.