



CITY COUNCIL AGENDA REPORT

MEETING DATE: November 20, 2012

ITEM NUMBER:

SUBJECT: EXTENSION/REDUCTION OF EXISTING PROFESSIONAL SERVICES AGREEMENT WITH MANAGEMENT PARTNERS FOR INTERIM MANAGEMENT ASSISTANCE

DATE: NOVEMBER 8, 2012

FROM: OFFICE OF THE CEO

PRESENTATION BY: THOMAS R. HATCH, CHIEF EXECUTIVE OFFICER

FOR FURTHER INFORMATION CONTACT: DANIEL K. BAKER AT (714) 754-5156

RECOMMENDATION:

The CEO's Office recommends the city council authorizes the CEO to extend the existing Professional Services Agreement extension (Attachment A) with Management Partners Inc., for interim management assistance, in an amount not to exceed \$37,000.

BACKGROUND:

In March of 2011, the city entered into a Professional Services Agreement (PSA) with Management Partners Inc. to provide the city with interim management assistance.

In April of 2011, Administrative Services Director, Steve Mandoki, separated from the city and Ms. Tamara Letourneau, Senior Manager with Management Partners, was named Interim Administrative Services Director under the original PSA. In May of 2011, the existing PSA was extended with a not to exceed amount of \$120,000 to allow Management Partners and Ms. Letourneau to continue to provide the city with administrative management assistance. In February of 2012, the existing agreement was again extended so that Management Partners and Ms. Letourneau could continue to provide management assistance. Since this time, Ms. Letourneau has overseen the successful merger of the Administrative Services department with various other departments. Additionally, Tammy has completed numerous special assignments for the CEO's office (e.g. general human resources management support, outsourcing committee, negotiations, elections committee, various research projects, etc.). Going forward Ms. Letourneau will focus her role and provide expertise in the areas of human resources and workers' compensation. Specifically, overseeing the implementation of the recommendations made earlier in the year regarding changes to the workers' compensation program. This includes being on the evaluation committees for the Human Resources RFP's and overseeing the implementation of any changes as a result of this process. This will provide needed support to the Human Resources Manager at a time of significant recruitment and focus on workers' compensation.

ANALYSIS:

Increasing the existing PSA will allow Management Partners and Ms. Letourneau to continue to provide the city with the necessary managerial experience to complete the above mentioned tasks.

ALTERNATIVES CONSIDERED:

An alternate consideration would be to not continue this consultant assistance. The responsibilities listed above and all other duties originally assigned to the position will be allocated to existing staff for completion. Given the high volume workload of existing staff this is not a preferred alternative.

FISCAL REVIEW:

Ms. Letourneau is currently providing on average, 20 hours a week as a management consultant. This amount was previously reduced from 35 hours per week. For this next seven months, it is recommended that the 20 hours per week be reduced to an average of 10 hours per week. The firm of Management Partner's proposed hourly rate is \$124 per hour. At this new proposed work level, the amendment will provide funding until the end of fiscal year 2012-2013.

LEGAL REVIEW:


No legal review is required for this item.

CONCLUSION:

The CEO's Office recommends that city council authorizes the CEO to extend the existing Professional Services Agreement extension (Attachment A) with Management Partners Inc., for Interim Management Assistance in an amount not to exceed \$37,000 until the end of fiscal year 2012-2013.



THOMAS R. HATCH
Chief Executive Officer



DANIEL K. BAKER
Management Analyst */KB*

- ATTACHMENTS: 1 Professional Services Agreement with Management Partners Incorporated for Interim Management Assistance
- 2 Management Partner's Engagement Letter

**AMENDMENT NUMBER THREE
TO PROFESSIONAL SERVICES AGREEMENT
FOR INTERIM MANAGEMENT ASSISTANCE**

This Amendment is made and entered into this ____ day of November, 2012 ("Effective Date") by and between the City of Costa Mesa, a municipal corporation ("City") and MANAGEMENT PARTNERS INC., a California corporation ("Consultant").

WHEREAS, Consultant and City entered into an agreement on March 1, 2011, for Consultant to provide interim management assistance (the "Agreement");

WHEREAS, Section 4.1 of the Agreement as amended by Amendment Number Two provides for a term through December 31, 2012, after which Consultant and City may mutually agree, in writing, to renew the Agreement for up to four term periods of one (1) year each; and

WHEREAS, Consultant and City desire to renew the Agreement through December 31, 2013, and adjust the compensation accordingly.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Pursuant to Section 4.1 of the Agreement, the Parties agree to renew the Agreement for an additional term commencing December 1, 2012 and ending December 31, 2013.

2. Section 2.1 of the Agreement is deleted in its entirety and replaced by the following:

2.1. Compensation. Consultant shall provide interim management assistance at a rate of \$124 per hour, for Tammy Letourneau. During this engagement, the actual consultant hours spent will be reimbursed by the City. Consultant's compensation shall in no case exceed Thirty Seven Thousand Dollars (\$37,000).

3. All terms not herein defined shall have the same meaning and use as set forth in the Agreement.

4. All other terms, conditions, and provisions of the Agreement not in conflict with this Amendment and previous Amendments, shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set their hand by their duly authorized representatives as of the day and year first above written.

CITY OF COSTA MESA,
A municipal corporation

Chief Executive Officer

Date:

MANAGEMENT PARTNERS, INC.

Signature

Date:

Name and Title

ATTEST:

City Clerk and ex-officio Clerk
of the City of Costa Mesa

Date:

APPROVED AS TO CONTENT:

Project Manager

Date:

APPROVED AS TO FORM:

City Attorney

Date:

Management Partners



November 1, 2012

Mr. Tom Hatch
Chief Executive Officer
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626

Dear Mr. Hatch:

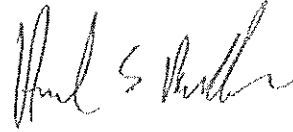
The City of Costa Mesa has been contracting with Management Partners since March 2011 for interim management services provided by Tammy Letourneau, Senior Manager, with our firm. Since then Tammy has provided assistance to the City in many areas, serving as the Interim Assistant Chief Executive Officer and Director of Administrative Services.

This City currently has a contract with Management Partners for \$85,000. The remaining amount on this contract will be expended by early November 2012. Per your conversation with Tammy this week, we understand that you are interested in extending the contract with Management Partners for an additional \$37,000 to enable Tammy to continue to provide interim management services to the City.

Management Partners will continue to provide interim management assistance at the rate of \$124 per hour, which reflects a reduction in our regular consulting rate for Tammy. During this engagement, Management Partners will bill the City twice a month based on actual hours worked.

We look forward to continuing to work with the City of Costa Mesa. Please feel free to call Tammy (714-458-8410) or me if you have any questions.

Sincerely,



Andrew S. Belknap
Regional Vice President

Accepted for the City of Costa Mesa by:

Name: _____

Title: _____

Date: _____

