



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 10, 2025

FROM: HOUSING AND HUMAN SERVICES WARD: 2

SUBJECT: RATIFY PURCHASE ORDER NO. 233777 IN THE AMOUNT OF \$8,888 TO INCLUDE PROJECT DESIGN CHANGES AND APPROVE THE FIRST AMENDMENT TO THE PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH WESTGROUP DESIGNS, INC. TO INCREASE COMPENSATION IN THE SAME AMOUNT FOR A REVISED CONTRACT AMOUNT OF \$268,011 FOR ARCHITECTURAL DESIGN SERVICES FOR THE PERMANENT SUPPORTIVE HOUSING PROGRAM LOCATED AT 2800 HULEN PLACE INCLUDING A TERM AMENDMENT OF SEVEN MONTHS FOLLOWING THE DATE SPECIFIED IN THE CITY'S NOTICE TO PROCEED FOR RFB 8141 WITH A SIX-MONTH OPTION TO EXTEND

ISSUE:

Ratify Purchase Order No. 233777 in the amount of \$8,888 to include project design changes and approve the First Amendment to the Professional Consultant Services Agreement with Westgroup Designs, Inc. to increase compensation in the same amount for a revised total contract amount of \$268,011 for Architectural Design Services for the Permanent Supportive Housing Program located at 2800 Hulen Place including a term amendment of seven months following the date specified in the City's Notice to Proceed for RFB 8141 with a six-month option to extend.

RECOMMENDATIONS:

That the City Council:

1. Ratify Purchase Order No. 233777 with Westgroup Designs, Inc., a California Corporation in the amount of \$8,888 to include project design changes for a total compensation of \$268,011;
2. Approve the First Amendment to the Professional Consultant Services Agreement with Westgroup Designs, Inc. to increase compensation in the amount of \$8,888 for a revised total contract amount of \$268,011 for Architectural Design Services for the Permanent Supportive Housing Program located at 2800 Hulen Place including a term amendment of seven months following the date specified in the City's Notice to Proceed for RFB 8141 with a six-month option to extend; and

3. Authorize the City Manager, or designee, to execute the First Amendment to the Professional Consultant Services Agreement with Westgroup Designs, Inc., including making minor and non-substantive changes and optional extensions.

BACKGROUND:

On August 3, 2021, the City Council approved a Lease Agreement with the County of Riverside to facilitate \$2,338,176 in building renovations of a City-owned property located at 2800 Hulen Place, for the operations of a Permanent Supportive Housing (PSH) Program administered by the Riverside University Health Systems – Behavioral Health (Project). The Lease Agreement was executed on November 16, 2021, and included the following terms:

- \$1 annual lease payment
- Ten-year lease period with two additional five-year renewal terms
- Riverside County to assume all upkeep and maintenance of the building
- Expand into the warehouse space to allow clients to have their own room, increase the number of bedrooms, and add a multi-purpose space
- Riverside County to provide the City with an upfront payment of \$250,000 to cover rehabilitation costs

On March 25, 2022, Request for Proposals (RFP) No. 2182 was issued for Architectural Design Services for Modification of Existing Industrial Building into Individual Housing and Related Support/Administration for Homeless Housing at 2800 Hulen Place. Eight responses were received.

On December 20, 2022, the City Council approved a Professional Consultant Services Agreement (Agreement) with Westgroup Designs, Inc., in the amount of \$259,123 for architectural design services for the Permanent Supportive Housing Program located at 2800 Hulen Place. The agreement included a 10% contingency of \$25,912 for a not-to-exceed total of \$285,035.

Since the execution of the Agreement, two design-related changes occurred. In May 2024, the following changes were authorized to move forward: a grease interceptor design in the amount of \$5,784, and an increase in support services to support the City's Project rebid efforts in the amount \$3,104, for a total change order amount of \$8,888.

On April 15, 2025, the City Council approved a First Amendment to Lease Agreement with the County of Riverside and approved the construction phase of the Project through awarding Bid No. 8141 to Fasone GBC in the amount of \$4,046,218. The Lease Agreement with the County of Riverside increased the County building improvement contribution from \$2,338,176 to \$5,053,151 for rehabilitation of a City-owned property located at 2800 Hulen Place and extend the lease term to a 30-year lease period with two additional five-year options to extend.

DISCUSSION:

During the procurement process in April 2025, it was identified that the Professional Consultant Services Agreement with Westgroup Designs, Inc. awarded through RFP No. 2182 expired on

January 27, 2024. An agreement extension was not exercised due to an oversight during a Project Manager transition and retirement in late 2024.

The recommendation to approve the First Amendment to the Professional Consultant Services Agreement with Westgroup Designs, Inc. will align the Project's updated construction schedule and ensure the City retains architectural support throughout the rehabilitation. This amendment is consistent with RFP No. 2182, Section 19 – Contract Term, which allows the City to renew or extend the agreement with negotiated modifications.

Purchasing Resolution 24101, Section 1104 Change Orders, Section (5) & (b) and (d) state, "Modifications to a Purchase Order shall be made only by Change Order... Subject to the availability of funds, Change Orders may be utilized for the purposes of (5) modifying contract completion time or the term of a Contract. Unless otherwise specifically authorized by the Awarding Entity, Change Orders which cumulatively exceed the following will require Awarding Entity approval... b) Any Change Order which causes the contract price to exceed the authorization in section 203 hereof, if the Contract and/or Purchase Order was not previously approved by the Awarding Entity; d) a Contract amendment which extends the term of the agreement beyond one year of the original expiration date."

The Purchasing Manager concurs that the recommendation to award is in compliance with Purchasing Resolution 24101, Section 1104 (5), (b) and (d).

The General Services Director concurs with this report.

FISCAL IMPACT:

The total fiscal impact of this action related to the amended agreement is \$8,888. The funds are budgeted and available in the Grants and Restricted Programs Fund, 2800 Hulen Rehab Program expenditure account number 9920000-440309.

Prepared by:	Megan Stoye, Housing and Human Services Deputy Director
Approved by:	Michelle Davis, Housing and Human Services Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachment:	First Amendment to the Professional Consultant Services Agreement with Westgroup Designs, Inc.
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