



## ADDENDUM

# TO THE MIDWEST CITY COUNCIL AGENDA FOR APRIL 14, 2020

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C. CONSENT AGENDA.

12. Discussion and consideration of approving Amendment No. 3 to the Construction Management contract with CMSWillowbrook, Inc. for the hotel conversion to obtain a professional services agent for Furniture, Fixture and Equipment (FFE) procurement and related administrative fees, in the total amount of \$101,323.00. (City Manager - T. Lyon)



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## MEMORANDUM

To: Honorable Mayor and Council

From: Tim Lyon, City Manager

Date: May 14, 2020

Subject: Discussion and consideration of approving Amendment No. 3 to the Construction Management contract with CMSWillowbrook, Inc. for the hotel conversion to obtain a professional services agent for Furniture, Fixture and Equipment (FFE) procurement and related administrative fees, in the total amount of \$101,323.00

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Per this addendum, the construction management team for the Sheraton to Delta conversion project requests approval for the additional costs and fees associated with obtaining a professional FF&E procurement agent to assist their team.

On March 24, 2020, the City publicly opened proposals for FFE purchasing services. Three (3) companies submitted proposals: Bray Whaler Inc., J Desterbecq & Associates and Benjamin West. A four-person committee consisting of two representatives each from the City and the Construction Manager reviewed and evaluated the proposals. Benjamin West scored the highest overall average of six (6) project specific categories.

CMSWillowbrook recommends adding the professional services off Benjamin West to the team as a consultant to assist with the necessary FFE acquisition services, as follows:

• Benjamin West Fixed Fee	\$ 98,500.00
Allowance for Reimbursable Expenses	<u>2,823.00</u>
Total	101,323.00

Funds are a part of the construction budget and will be made available through a revenue bond.

Staff recommends approval.

Tim Lyon, City Manager

Delta Midwest City Hotel  
Amendment to Construction Management Contract dated May 1, 2019  
Add Professional Acquisition Services for Fixtures, Furniture and Equipment (FFE)

To obtain the highly specialized services for acquisition of hospitality furnishing, including initial model rooms for franchise approvals; subsequent guest room furnishing and accessories; and the furnishings and equipment for public areas, an industry expert "FFE Agent" is necessary. Pursuant to a public Request for Proposals, a qualified FFE has been identified. While this additional expense is necessary for completion of the project, we are confident the services will ultimately save on the total furniture expenditure through competitive acquisitions in a global market not readily accessible to non-industry professionals.

Increase CM Fee for Pre-Construction Professional Services

Direct Cost of FFE Agent Services	\$ 98,500.00
Allowance for Reimbursable Expenses	<u>2,823.00</u>
Total	\$ 101,323.00

Contract Amendment

Article 4, Compensation and Payments for Preconstruction Phase Services  
Amend basis of Fee in Paragraph 4.1.2 to read:

"1% of the Construction Budget, plus the direct cost of sub-contracted professional fees for an FFE Agent in the amount of \$101,323.00, to be invoiced incrementally as the services are provided. This amended fee is specifically subject to Paragraph 6.11, Accounting Records and the stipulated audit rights."

General Scope of FFE Agent Services

- FFE Agent's compensation is strictly fee based, not a percentage of the budget.
- Evaluate current design documents and FFE selection for Budget and Schedule:
  - Establish Schedule as agreed by all parties
  - Establish "Procure-To" Budget as the maximum FFE expenditure, as approved by City.
- Coordinate with Designers, CM and City to finalize FFE packages.
- Develop Bid Documents and engage worldwide supply chain for pricing and delivery.
- Competitively source FFE for model rooms; conduct evaluation with City, Delta Marriott and Designer for final revisions and approvals.
- Identify equivalent product substitutions as necessary to stay within FFE budget.
- Competitively source balance of Guest Room furnishings, establish delivery schedule.
- Coordinate shipping; Identify need for temporary warehousing of goods prior to installation.
- Develop requirements and solicit proposals from qualified FFE installers.
- Monitor quality of received goods; resolve any freight damage and replacements.
- Facilitate purchase orders and financial transactions for FFE items as approved by CM and City.
- Provide closeout, maintenance and warranty documentation on all received goods.
- Repeat steps above for public area furniture acquisition and installation.