

February 13, 2024

Honorable Mayor and City Council  
City of Long Beach  
California

**RECOMMENDATION:**

Recommendation to authorize the City Manager, or designee, to execute any and all documents necessary for a Supplemental Agreement to Management Agreement No. 36386 with ASM Global Convention Center Management, LLC, a Delaware limited liability company, doing business as SMG, for Project and Construction Management Services for capital improvement projects at the Long Beach Convention and Entertainment Center, located at 300 East Ocean Boulevard, in the amount of \$551,250. (District 1)

**DISCUSSION**

On December 5, 2023, the City Council approved \$25,000,000 for roof replacement, HVAC, Americans with Disabilities Act (ADA) enhancements, and other projects, as amended, at the Long Beach Convention and Entertainment Center (LBCEC). Additionally, on that same day, the City Council approved an amendment to Purchase and Power Agreement (PPA) No. 29265 for the photovoltaic system at the LBCEC. The PPA requires roof replacement to meet the obligations of that agreement.

The implementation of the rooftop and HVAC work and other major investments at the LBCEC will have considerable impact to operations and scheduling. It is important that the project and construction management (PM/CM) team have substantial coordination with the operations team at the LBCEC. Due to the age and unique nature of the facility, it is also critical that project and construction management teams for the rooftop and HVAC projects have a strong familiarity with the larger campus. ASM Global, and their longtime management of the LBCEC, possess proprietary knowledge of operations, scheduling, and facility and building management systems, which makes them uniquely qualified to manage the design, procurement, and execute the rooftop, HVAC, and accessibility enhancement projects at the LBCEC. Preliminary roof and HVAC replacement is expected to utilize at least \$20,000,000 from the initial tranche of bond funding, but full replacement costs of all systems will be developed in detail as part of a comprehensive engineering assessment and design process. HVAC system replacement will require prioritization of more at-risk units and certain work may be deferred until additional funds are authorized by the City Council.

City staff requested a proposal for ASM Global to manage the delivery of rooftop, HVAC, and accessibility enhancement projects as an exception to policy. The competitive bid process could not be completed in time to complete the work necessary to comply with the amended PPA. Additionally, as previously stated, ASM Global possesses unique proprietary knowledge



necessary for effective project and construction management and coordination with internal operations, existing conventions, and booked events for the capital improvement work. The Public Works Department (Public Works) Project Management Bureau reviewed the proposal and determined it is both sufficient and within cost parameters for comparable project management work.

The proposed major terms and conditions of the agreement are as follows:

***Scope of Services:***

ASM Global proposes to provide Construction and Project Management Services for the Rooftop Project at Long Beach Convention & Event Center. ASM Global will work closely with Ownership, along with its consultants, advisors, and stakeholders to accomplish the goals of the project in the most cost efficient and effective manner.

The ASM Global CM/PM Representative serves as the client's advocate throughout the project, directing all technical issues and providing the client with the most control over the project objectives, budget, schedule, and quality. The CM/PM services can be utilized to manage every phase of the process – pre-design, design, construction & operational turnover.

***Project Description:***

- I. Roof Removal & Replacement
- II. Rooftop Air Handler & Exhaust Upgrades

***Term of Contract:***

February 14, 2024 – December 31, 2025

***Proposed Fee Schedule:***

Not to exceed lump sum fee of \$525,000, invoiced monthly as progress billing based on project milestones.

***Additional Detail:***

The fee is inclusive of all professional services, personnel, overhead, and resources needed to complete the proposed scope of work but does not include out-of-pocket reimbursable expenses such as travel, lodging, meals, and any specialized reports, which shall be subject to pre-approval by the City. Reimbursable expenses will be capped at \$26,250, or five percent, of the proposed project fee.

This Supplemental Agreement is required to modify the Management Agreement to allow ASM Global to manage these capital improvement projects. While ASM Global will coordinate the design, implementation, and project management for the projects, Public Works will retain responsibility for procurement of the proposed rooftop and HVAC work and will provide additional review and oversight to ensure the resulting contracts comply with the State Labor Code, as well



as with the City's insurance, bond, and other performance requirements. ASM Global will confirm with the City that the projects are completed according to the terms of the given contract.

This matter was reviewed by Deputy City Attorney Richard F. Anthony and Budget Management Officer Nader Kaamoush on January 24, 2024.

#### TIMING CONSIDERATIONS

City Council action is requested on February 13, 2024, to allow ASM Global to immediately begin work to complete the projects in a timely manner.

#### FISCAL IMPACT

The total cost of the proposed supplemental agreement with ASM Global is not to exceed \$551,250 for a term of February 14, 2024, through December 30, 2025. This amount is included in the \$25 million approved by City Council to fund capital improvements at the Long Beach Convention and Entertainment Center, as identified in the Elevate '28 Infrastructure Investment Plan, offset by future bond proceeds. Sufficient funds are budgeted in the Tidelands Operations Fund Group in the Public Works Department. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

#### SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



Bo Martinez  
Director  
Economic Development



Eric Lopez  
Director  
Public Works

APPROVED:



THOMAS B. MODICA  
CITY MANAGER