

MINUTE ITEM

6/23/71
ASM

18. R.M.S. QUEEN MARY PROJECT, RETENTION OF CONSULTANT - W 10248.

During consideration of Supplemental Calendar Item 16 attached, Commissioner Orr noted that the audit for which a consultant was to be retained would be for the benefit of the City of Long Beach, and that therefore the costs should be borne by the City and not by the State. However, legislation would be required to assign these costs to the City of Long Beach, and Commissioner Orr suggested that legislation be sought to authorize such assignment of costs to the City.

Attachment:

Supplemental Calendar Item 16 (1. page)

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SUPPLEMENTAL CALENDAR ITEM

6/71
W 10248
ASM

16.

R.M.S. QUEEN MARY PROJECT, RETENTION OF CONSULTANT

At its meeting of May 27, 1971, the Commission directed staff to prepare recommendations relative to the retention of consultants for the purpose of assisting staff in engineering and audit reviews of the City of Long Beach's R.M.S. Queen Mary project. The reviews would be the basis upon which the Office of the Attorney General would render an opinion on the legality of certain of the City's expenditures on the Queen Mary, which, in the preliminary opinion of staff, may have primarily benefited the commercial portions of the project and thus not be in legal accord with the terms of Chapter 238, Statutes of 1964, 1st E.S.

Pursuant to the Commission's directive, eight firms were contacted by the Division to determine their interest in being retained by the Commission as consultants for the engineering and audit reviews. Of the eight highly competent firms, only one, Arthur D. Little, Inc., expressed an interest and willingness to be retained as the Commission's consultant, and a letter proposal by that firm has been submitted.

The purpose and scope of the work that would be performed has been discussed in some depth by a representative of the firm, the Division, and the Office of the Attorney General. The initial work that would be accomplished, as has been reported to the Commission in prior meetings, is the firm identification of the engineering and financial audit problems as related to the Queen Mary project, the development of alternative procedures to approach the problems, and the preparation of specifications for a detailed review. Arthur D. Little, Inc., has submitted a maximum likely cost of \$50,772 for the consultant work to be accomplished. A report would be submitted to the Commission and to the Office of the Attorney General in July 1971.

It must be emphasized that such initial report would require a future consultant contract for the required complete analyses, the cost of which would be estimated in the initial report.

IT IS RECOMMENDED THAT THE COMMISSION:

AUTHORIZE THE STAFF TO ENTER INTO NEGOTIATIONS FOR A CONSULTANT CONTRACT WITH ARTHUR D. LITTLE, INC., AT A COST NOT TO EXCEED \$50,772, AND IN CONFORMANCE WITH STATE ADMINISTRATIVE MANUAL CONSTRAINTS, FOR THE PURPOSE OF IDENTIFICATION OF THE ENGINEERING AND FINANCIAL AUDIT PROBLEMS RELATED TO THE QUEEN MARY PROJECT, ESTABLISHMENT OF ALTERNATIVE PROCEDURES TO APPROACH THE PROBLEMS, AND THE PREPARATION OF SPECIFICATIONS TO ACCOMPLISH A DETAILED ENGINEERING AND FINANCIAL REVIEW.

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