



CITY OF DEL REY OAKS

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DATE: December 16, 2025

TO: Honorable Mayor and City Council

FROM: John Guertin, City Manager

SUBJECT: Approve a Consulting Services Agreement with Economic & Planning Systems, Inc. (EPS) for Technical and Advisory Support Related to Fort Ord Reuse and Public Asset Management

CEQA: Not applicable.

Recommendation

It is recommended that the City Council approve the attached Consulting Services Agreement with Economic & Planning Systems, Inc. (EPS) in an amount not to exceed \$75,000, and authorize the City Manager to execute the agreement and any minor amendments.

Background

The City of Del Rey Oaks continues to advance efforts related to the reuse and redevelopment of its former Fort Ord properties and other public assets. These properties present significant long-term economic development opportunities but also require specialized technical analysis, fiscal evaluation, and development advisory expertise. In recent months, the complexity of evaluating developer interest, preparing for an Exclusive Negotiating Agreement (ENA), and aligning land use planning with long-term fiscal sustainability needs has increased substantially.

To support the City in these efforts, EPS has been providing urban economics and economic development advisory services. Their work to date has included analysis of redevelopment potential, fiscal projections, and strategic support in discussions with interested entities.

Given the scale, complexity, and long-term significance of decisions affecting the former Fort Ord properties, continued professional support is essential.

Discussion

The proposed contract with EPS will provide the City with critical technical assistance in establishing, managing, and executing a structured process for identifying, evaluating, and working with potential Master Developers for the City's former Fort Ord holdings. The ability to effectively vet development proposals, model fiscal outcomes, and prepare the City for formal negotiations requires specialized expertise not available in-house.

The EPS Scope of Work (Attachment A of the Agreement) includes three key task areas:

1. Fort Ord Disposition Advisory Services (Budget: \$40,000)

EPS will assist the City with all necessary preparatory steps leading to the selection of a Master Developer, including:

- Preliminary discussions with potential developer entities at the City Manager's direction
- Updated analysis of site development potential and fiscal impacts
- Review of legal, engineering, policy, and community development considerations
- Other economic analysis needed prior to entering into an Exclusive Negotiating Agreement (ENA)

These services are essential to ensuring the City moves forward with a well-supported, defensible, and strategic process for selecting a development partner.

2. Support for Non-Fort Ord Public Assets (Budget: \$5,000)

EPS will provide negotiation support and technical evaluation for other City-owned properties, as directed by the City Manager.

3. Citywide Economic and Development Strategic Considerations (Budget: \$30,000)

EPS will assist the City in broader economic and planning analysis, including:

- Fiscal sustainability analysis of alternative land use scenarios
- Coordination with adjoining landowners on Fort Ord
- Infrastructure expansion and maintenance funding strategies
- Updates to the City's public asset report

Given the magnitude of land use, financial, and policy implications associated with redevelopment of the former Fort Ord properties, professional technical services are not only beneficial they are necessary. EPS brings expertise in urban economics, fiscal modeling, and public asset management, as well as extensive knowledge of regional conditions within Monterey County.

These services will support the City in:

- Establishing a transparent and competitive process for working with prospective developers
- Conducting sophisticated analysis of development feasibility and fiscal impacts
- Ensuring that City decisions maximize long-term financial and community benefits
- Protecting the City's interests during early negotiations and evaluation stages

Without this support, staff capacity would be insufficient to manage the level of analysis and interagency coordination required.

Fiscal Impacts

The contract is structured as time-and-materials **not to exceed \$75,000**, allocated as follows:

- Task 1: \$40,000
- Task 2: \$5,000
- Task 3: \$30,000

It is recommended that funding for this agreement come from fund balance in the General Fund.

Attachments

- Consulting Services Agreement with Economic & Planning Systems, Inc.

Respectfully submitted,

John Guertin
City Manager



**AGREEMENT FOR CONSULTING SERVICES
Del Rey Oaks Technical Services; EPS #252123**

December 9, 2025


EPS appreciates the opportunity to work on this project. To approve this Scope of Work, please sign below, return a signed copy of this letter agreement to EPS, and keep another copy for your records. If you have questions or require changes to this proposal, please call Principal-in-Charge David Zehnder at (916) 649-8010.

Accepted:

City of Del Rey Oaks

Economic & Planning Systems, Inc. (EPS)
A California Corporation

John Guertin, City Manager



David Zehnder, Principal-in-Charge



Jamie Gomes, Managing Principal

Attachments

- Attachment A: Scope of Work
- Attachment B: Standard Terms and Conditions for Consulting Services
- Attachment C: EPS 2025 Hourly Billing Rates

Attachment A Economic & Planning Systems, Inc.

EPS Scope of Work for Del Rey Oaks Technical Services

EPS proposes to provide urban economics and economic development advisory and technical support services to the City of Del Rey Oaks. This work is a continuation of current efforts to assist the City in the realization of its objectives around the reuse and redevelopment of its Fort Ord land and other public assets, in pursuit of a sustainable land use pattern that benefits and perpetuates the City's economic and cultural success. This proposed work builds on our experience and knowledge of urban economics best practices and deep familiarity with the Monterey region and its jurisdictions.

Task 1: Fort Ord Disposition Advisory Services

Budget: \$40,000

At the City's direction, EPS will assist the City with necessary steps to identify and select a Master Developer. This task covers services rendered prior to the realization of exclusive negotiations. Specific steps include:

- Preliminary discussions with candidate entities at the City Manager's direction
- Updated evaluation: site development potential and fiscal outcomes
- Review and discussion of legal, engineering, public policy, and community development considerations
- Other economic analysis deemed necessary by the City Manager in advance of executing Exclusive Negotiating Agreement (ENA)

Task 2: Non Fort-Ord Public Assets Support

Budget: \$5,000

- Assistance with individual negotiations at City Manager's direction

Task 3: Citywide Economic and Development: Strategic Considerations

Budget: \$30,000

- Test fiscal sustainability of alternative land use mixes
- Policy coordination with adjoining Fort Ord owners
- Infrastructure expansion and maintenance funding strategies
- Update City public asset report (integrated with above considerations)

Grand Total: \$75,000 (billed on time and materials expended at attached 2025 billing rates, not to exceed identified budget amounts unless authorized by City).

Personnel and Schedule

David Zehnder, Principal-in-Charge will oversee and be involved in all aspects of the assignment, with Project Manager Tom Martens and other EPS personnel providing support and expertise.

EPS will adhere to a mutually-agreed project schedule as needed to accomplish project objectives.

Attachment B
Economic & Planning Systems, Inc.

Standard Terms and Conditions for Consulting Services

1. Authority

Each party has full power and authority to enter into and perform this contract, and the person signing this contract on behalf of each has been properly authorized and empowered to enter into this contract. Each party further acknowledges that it has read this agreement, understands it, and agrees to be bound by it.

2. Independent Contractor

It is specifically understood and agreed that in the creation and performance of this Agreement, EPS is an independent contractor and is not and shall not be construed to be an employee or agent of the CLIENT.

3. Insurance

EPS shall maintain the following insurance:

- 3.1. Workers Compensation as required by law.
- 3.2. General Liability insurance of \$2,000,000 each occurrence, \$4,000,000 general aggregate.
- 3.3. Auto Liability insurance of \$2,000,000, combined single limit for bodily injury and property damage, covering non-owned and hired autos only.
- 3.4. Errors and Omissions/Professional Services Liability insurance in the amount of \$2,000,000 per claim/aggregate.
- 3.5. Excess/Umbrella Liability insurance of \$3,000,000.

4. Personnel

EPS represents that it is an equal opportunity employer and has, or will secure at its expense, all personnel required in performing the services under this Agreement. All personnel engaged in the work shall be authorized or permitted under State and Local law to perform such services.

5. Interest of EPS

EPS covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement.

6. Publication, Reproduction, and Use of Material

CLIENT may publish, distribute, or otherwise use any data, information, reports, or other materials prepared under this Agreement by EPS (EPS Work Product), in whole or in part, for purposes of this project. This authority does not apply to any computer models or software used or developed as a result of this contract, unless a separate agreement is signed concerning the disposition of such materials. CLIENT acknowledges that EPS Work Product was prepared by EPS solely for contemporaneous use by CLIENT for this Project and that it is not intended for use at any other time, location, purpose or by any other party. Accordingly, CLIENT shall not, without the prior written consent of EPS (which EPS may withhold in its sole discretion), (i) use EPS Work Product for purposes unrelated to the Project, (ii) modify EPS Work Product, or (iii) disclose or distribute any EPS Work Product to any other person, firm, or entity. EPS shall be entitled to indemnification by CLIENT, pursuant to paragraph 13 hereof, if CLIENT breaches this provision, in addition to all other available remedies at law or in equity.

7. Confidentiality

Any reports, information, or data given to or prepared or assembled by EPS under this Agreement shall not be made available to any individual or organization by EPS without the prior written approval of the CLIENT. EPS is entitled to retain copies of all data, working papers, interim documents, memoranda, and reports produced under this Agreement. However, nothing contained herein shall prevent the disclosure of such information if compelled by legal process, and in the event thereof, only after notice to CLIENT.

8. Amendments to the Contract

No amendment to this Agreement shall be effective unless it is in writing and signed by duly authorized representatives of both parties.

9. Disputed Invoices

In the event that CLIENT disputes any item on an invoice, CLIENT shall notify EPS of this disputed item within five working days of receipt of the invoice. CLIENT will approve payment of items on an invoice that are not in dispute and CLIENT and EPS will proceed to negotiate or arbitrate the disputed items as specified elsewhere in this Agreement.

10. Audits and Inspections

On reasonable notice, CLIENT may inspect any books, records, or other materials that pertain directly to this Agreement.

11. Compensation for Testimony and Preparation Thereof

If any legal action is brought in connection with the Agreement, other than an action that is solely the result of the incompetence or malfeasance by EPS, by or against a third party, and CLIENT requests that EPS or a SUBCONSULTANT, (or if EPS or a SUBCONSULTANT is otherwise required) to testify, provide information, produce materials, or otherwise spend time on such action, then CLIENT shall pay EPS or SUBCONSULTANT for time expended at their standard rates then in effect, plus advance all related expenses and costs, including, but not limited to, reasonable attorneys' fees. Such compensation shall be in addition to the maximum charge for services defined in the Agreement.

12. Termination of Agreement

The CLIENT may, at its option, elect to cancel the contract at any time, by notice to EPS, on completion of any task described in the scope of services. In such event the CLIENT will pay to EPS the amount due by virtue of completion of the products therefore delivered. If such cancellation is not based on any claim of EPS default, such payment shall include any sums withheld pursuant to this Agreement. In addition, EPS shall be reimbursed (in addition to the payment) for that portion of the actual out-of-pocket costs not otherwise reimbursed under this Agreement previously incurred by EPS during the period of the Agreement, which are directly attributable to the incomplete portion of the services covered by this Agreement.

13. Indemnification/Limitation of Liability

- 13.1. CLIENT agrees to release, indemnify, hold harmless, and defend EPS and all of its partners, employees, agents, and representatives of all types from and against all claims, liability, loss, cost, damage, expense, or obligation, including, but not limited to reasonable attorneys' and experts' fees and costs, which any of them may hereafter incur, suffer, or be required to pay by reason of any actions in connection with this Agreement or the performance thereof except as to claims which are finally adjudicated or arbitrated to have resulted from the sole negligence or willful misconduct of EPS.
- 13.2. CLIENT agrees that EPS is not responsible for the identification of hazardous or toxic substances, waste or materials, or petroleum products and/or petroleum components or constituents and is not liable for any conditions that stem from contamination from hazardous or toxic substances, waste or materials, or petroleum products and/or petroleum components or constituents.

14. Nondiscrimination and Equal Opportunity

EPS and its SUBCONSULTANTS shall not unlawfully discriminate against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by EPS under this Agreement because of race, religion, color, national origin, ancestry, physical disability, medical condition, marital status, age (over 40), gender, or gender orientation. EPS shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of EPS thereby.

15. Standard of Performance

All work performed by EPS for CLIENT pursuant to this Agreement shall be performed by qualified persons and shall be performed in accordance with standards of performance generally applicable to the work in the community in which the work is performed.

As in all projects of this type, the estimated results are based on the continued competent and efficient management by CLIENT. In addition, the conclusions reached by EPS are based on the assumption that no significant changes in project conditions will occur beyond those expressly discussed in EPS Work Product. EPS shall be able to rely on information provided to it by the CLIENT, and EPS shall have no responsibility to audit or otherwise verify such information.

16. Force Majeure

Neither party shall be responsible for delays or failures in performance resulting from acts beyond the control of such party. Such acts shall include, but not be limited to, acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations superimposed after the fact, fire, power failures, earthquakes, or other disasters.

17. Arbitration and Attorneys' Fees

In the event of a dispute in any manner relating to or arising out of this Agreement, the parties shall meet, confer, and negotiate in good faith in an attempt to resolve the dispute. In the event the parties are unable to resolve the dispute themselves, the dispute shall be resolved through binding arbitration in Sacramento County, State of California, under the Construction Industry Arbitration Rules of the Judicial Arbitration and Mediation Services, Inc., (JAMS).

In arbitrating any issue arising under this Agreement, the power and authority of the arbitrator shall include the power and authority to grant such equitable relief (including injunctive relief) as may be appropriate under the circumstances, in accordance with applicable law. The decision award of the arbitrator shall be binding on the parties and

shall be enforceable by judgment entered in a court having jurisdiction. In the event the arbitrator determines there is a prevailing party in the arbitration, the prevailing party shall recover from the losing party all costs of arbitration, including all fees of the arbitrator and all attorneys' fees reasonably incurred by the prevailing party. The arbitrator shall have authority to order such limited discovery as the arbitrator shall deem relevant and appropriate.

18. Governing Law

This contract will be governed by and construed in accordance with the laws of the State of California.

19. Notice

Notice given under the terms of this Agreement shall be in writing and shall be effective the day it is mailed, properly addressed, to the party to receive such notice. Notice delivered other than by mail shall be effective when received. Any change of address of either of the parties shall be effective on receipt of notice of such change by the opposite party.



**Attachment C
Economic & Planning Systems, Inc.**

2025 Hourly Billing Rates

Sacramento Office

Managing Principal	\$325
Principal	\$310
Senior Vice President	\$270
Senior Consultant	\$270
Vice President	\$255
Senior Technical Associate II	\$225
Senior Associate	\$225
Associate	\$205
Research Analyst II	\$165
Research Analyst I	\$105
Production and Administrative Staff	\$100

Billing rates updated annually.