



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/20/2023

ITEM NO: 14

DATE: June 2, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Authorize the Town Manager to Execute a Second Amendment to the Agreement for Consultant Services with CSG Consultants, Inc. to Extend the Term and Time of Performance to June 30, 2025, Revise the Compensation Approach, and Increase the Minimum Scope of Insurance of the Agreement

RECOMMENDATION:

Authorize the Town Manager to execute a Second Amendment to the Agreement for consultant services with CSG Consultants, Inc. (Attachment 1) to extend the term and time of performance to June 30, 2025, revise the compensation approach, and increase the minimum scope of insurance of the Agreement.

BACKGROUND:

The Town of Los Gatos contracts with CSG Consultants, Inc. to augment staff capacity for plan review and construction inspection services on the North 40 Phase 1 project. On April 17, 2018, the Town Manager executed an Agreement for Consultant Services for engineering, inspection, and project management services with CSG Consultants, Inc., in an amount not to exceed \$500,000 with a term and time of performance through June 30, 2023.

On March 19, 2019, the Town Council authorized a budget adjustment in the amount of \$600,000 to recognize developer fees collected in Fiscal Year 2017/18 for the North 40 Project to allow for project review and inspection costs. On September 3, 2019, the Town Council authorized the Town Manager to execute a First Amendment to Agreement for Consultant Services with CSG Consultants, Inc. (Exhibit A) for engineering, inspection, and project management services in the amount not to exceed \$600,000 and no change to the term.

PREPARED BY: James Watson
Senior Civil Engineer

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, Community Development Director, and Parks and Public Works Director

PAGE 2 OF 3

SUBJECT: Authorize the Town Manager to Execute a Second Amendment to the Agreement for Consultant Services with CSG Consultants, Inc. to Provide Services for Phase 2 of the North 40 Project, Extending the Term to June 30, 2025

DATE: June 2, 2023

DISCUSSION:

The North 40 project construction continues. Although residential construction is largely complete, several commercial structures remain to be completed. Staff recommends CSG Consultants continue to provide engineering, inspection, and project management services leveraging the in-depth knowledge of the project's complexities gained over the past several years assisting the Town.

Payment to the consultant is funded as a pass through, with developer contributions being used as the basis for compensation to the Consultant payment. The original Agreement and First Amendment were written with a specified 'not to exceed' amount. The Second Amendment proposes to modify Contract Item 2.6 Compensation to read

Compensation for Consultant's professional services shall be paid at the established hourly rates, as set forth in the Fee Schedule (Exhibit B), which is attached hereto. Payment shall be based upon Town approval of the Scope and Fee for each task.

This proposed change in the Compensation language more accurately reflects how work is completed under this contract and provides flexibility in the assignment of tasks and associated billing.

Based on a "best practice" recommendation from the Town's insurance pool, the Town's commercial general liability insurance requirement has increased from \$1,000,000 to \$2,000,000. This amendment raises the Agreement's general liability insurance to meet the new requirement.

The recommended contract extension to June 30, 2025 would allow CSG to continue providing services through what is currently anticipated to be the end of North 40 Phase 1 construction.

CONCLUSION:

Staff is requesting that Town Council authorize the Town Manager to execute a Second Amendment to the Agreement for consultant services with CSG Consultants, Inc. to allow the firm to continue providing ongoing assistance to Phase I of the North 40 project.

FISCAL IMPACT:

This agreement is funded on a cost recovery basis in which the Town uses fees and deposits collected from the North 40 developers to pay for these services (also known as pass through).

PAGE 3 OF 3

SUBJECT: Authorize the Town Manager to Execute a Second Amendment to the Agreement for Consultant Services with CSG Consultants, Inc. to Provide Services for Phase 2 of the North 40 Project, Extending the Term to June 30, 2025

DATE: June 2, 2023

ENVIRONMENTAL ASSESSMENT:

The proposed agreement and related services are not a project defined under CEQA, and no further action is required.

Attachments:

1. Second Amendment with Exhibit A - Agreement for Consultant Services with CSG Consultants, Inc. and Exhibit B - Rate Sheet