



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 10/20/2026

ITEM NO: 12

DATE: October 20, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Authorize the Town Manager to Execute a Two-Year Professional Services Agreement with Transtech Engineers, Inc. for CIP Program Management; Authorize Re-assignment of the Kennedy Road Sidewalk and Bike Lanes Project to Tier 1; and Authorize a Budget Adjustment from the Available Unassigned GFAR Fund Balance**

RECOMMENDATION: Authorize the Town Manager to execute a two-year Agreement for Professional Services with Transtech Engineers, Inc. for an amount not to exceed \$1,018,000 for FY26-27 Capital Improvement Program (CIP) Management and Engineering Support Services in the general form provided here; authorize the Town Manager to re-assign the Kennedy Sidewalk and Bike Lanes Project from Tier 2 to Tier 1; and authorize a budget adjustment in the amount of \$150,000 to fund the Kennedy Road Sidewalk and Bike Lanes Project (4118146) Feasibility Analysis.

FISCAL IMPACT:

The proposed recommendation requests an increase in expenditure appropriation of \$150,000 in the General Fund Appropriations Reserve (GFAR) for the Kennedy Road Sidewalk and Bike Lanes Project 8146. The \$150,000 increase is funded from the GFAR fund balance. The current year end estimated GFAR balance is \$2,731,913. If the proposed transfer is approved the estimated GFAR ending fund balance will be \$2,581,913.

The proposed Agreement for Professional Services with Transtech Engineers, Inc. has a total not-to-exceed amount of \$1,018,000. Of this amount, \$150,000 would be associated with

PREPARED BY: Gary Heap
Town Engineer

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

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Kennedy Sidewalk and Bike Lanes Project for feasibility analysis and requires the budget adjustment described above. This project was assigned to Tier 2 in the FY 2026-27 Capital Improvement Program budget due to lack of staffing and no budget was assigned. Staff are recommending an initial phase of work be funded with the enhanced staff resources afforded by this contract. If reallocating this project to Tier 1, and the associated budget transfer are not approved, then this project will be removed from the agreement. This is discussed in detail in the discussion section of this staff report.

STRATEGIC PRIORITY:

This item supports the Core Goals of Quality Public Infrastructure by advancing adopted capital improvement projects and Fiscal Stability by advancing the CIP in a financially responsible manner.

BACKGROUND:

The Town CIP consists of transportation, storm drainage, parks, facilities, and infrastructure improvement projects. Delivery of this program requires engineering resources to augment existing Town Staff.

To maintain project schedules, provide specialized technical expertise, and ensure efficient delivery of the adopted CIP, the Town solicited qualifications from firms experienced in municipal capital program management. On June 5, 2026, Parks and Public Works issued a Request for Qualifications for CIP Management Services. The RFQ closed on June 26, 2026, with eight firms submitting proposals. The proposals were evaluated by a scoring committee based on the capital improvement program delivery approach, qualifications of the firm and project personnel, references, and similar program management experience. The two top firms were invited to an interview on July 24, 2026. Transtech was selected as the most qualified firm to provide these services. Transtech was determined to provide the best overall value based upon demonstrated municipal program management experience, qualifications of key personnel, understanding of the Town's CIP, project delivery approach, and interview performance.

DISCUSSION:

The proposed agreement would allow Transtech to provide engineering resources that will supplement Town Staff in delivering the adopted CIP Projects. Services by Transtech may include:

- Capital project management
- Engineering design support

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- Preparation of plans, specifications, and estimates (PS&E)
- Construction support
- Technical engineering assistance
- General engineering services
- Other engineering services as assigned by the Town

Transtech's proposed work program includes support for numerous transportation, storm drainage, parks, facilities, and general engineering projects identified in Table 1. The proposal establishes an estimated budget for each project, allowing the Town to authorize work based upon project schedules and development of detailed scoping for each project. The total contract NTE amount is \$1,018,000. The level of service provided will vary for each project depending on its funding level and work plan outlined in the CIP.

With this action, staff is requesting that funding be allocated to the Kennedy Road Sidewalk and Bike Lanes Project and the project be moved from Tier 2 to Tier 1. This request is being made because the project has \$1,861,816 in Measure B funding that can be used for Final Design and Construction (the grant cannot be used for Project Feasibility). Within this fiscal year, the Town must either advance the final design of the project using the grant funds, request that the Measure B funds be reallocated to a different Town project or return the grant funding to the granting agency (Valley Transportation Authority).

The project had been moved to Tier 2 due to lack of staffing in the CIP program, and lack of clarity regarding the project scope. Staff recommends that a feasibility study be completed to assess constructability of the project concept. If the study reveals the project is not feasible, staff can discuss next steps and recommend reallocation of the grant resources. As noted above, the Town must discuss the future of this grant funding with the granting agency in this fiscal year and so is seeking to move this project forward outside of the capital budget process.

PPW Staff and the Human Resources Director have also met multiple times with the Town Employee Association (TEA) leadership regarding the provisions of this agreement, and TEA has no objection to this agreement with Transtech moving forward for approval.

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Table 1. Agreement Funding by Project

Project #	Project Name	Scope	Costs	Org Code
8101	2027 Street Repair & Resurfacing	Transtech to PS&E & construction support	\$ 20,000	4118104
8103	Annual Street Restriping	Transtech to provide PS&E support	\$ 2,000	4118104
8116	East Main Street Crosswalk Improvements	Transtech to provide Project Management	\$ 30,000	4118116
8120	Curb, Gutter, & Sidewalk Maintenance	Transtech to PS&E & construction support	\$ 20,000	4118120
8146	Kennedy Sidewalk and Bike Lanes (Los Gatos Blvd - Englewood)	Feasibility analysis and preliminary design including topography and boundary survey	\$ 150,000	4118146
8151	Unanticipated Repairs - Annual	Transtech to provide support as requested	\$ 25,000	4118151
8156	Roadway Reconstruction of Santa Cruz Ave (BHR to Hwy 9)	Transtech to provide PS&E	\$ 200,000	4118156
8304	Annual Storm Drain Imp	Transtech to provide support as requested	\$ 25,000	4638306
8311	Loma Street Drainage	Transtech to provide Project Management	\$ 5,000	4618311
8315	Storm Drainage Mapping	Transtech to provide technical support	\$ 5,000	4618315
8317	Green Stormwater Infrastructure	Transtech to provide general and PS&E support	\$ 10,000	4118317
8405	Oak Meadow Bandstand Area Improvements	Transtech to provide Project Management	\$ 5,000	4118405
8511	Timber Bridge Inspection	Transtech to provide evaluation and design recommendations by a licensed structural	\$ 50,000	4118511
8739	Condition Assessment of Civic Center	Transtech to provide space assessment for existing and future staffing needs, and baseline asset management	\$ 250,000	4118739
8740	Fleet Service Outdoor Work Area (Design Phase)	Transtech to provide PS&E. Deliverable as preliminary design	\$ 11,000	4118740
8743	Downtown Restroom Design	Transtech to provide concept sketches to two locations, lifecycle cost analysis and PS&E	\$ 100,000	4118743
8744	41 Miles Emergency Management Improvement	Transtech to PS&E & construction support	\$ 50,000	4118744
8745	Library Lighting Controls Renovation	Transtech to support town staff in correcting lighting issues	\$ 10,000	4118745
5201	GENERAL ENGINEERING	General Engineering support	\$ 50,000	1115201
TOTAL			<u>\$ 1,018,000</u>	

CONCLUSION:

Approval of the recommended actions will provide the engineering resources necessary to deliver the FY 2026/27 Capital Improvement Program.

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ALTERNATIVES

Alternative 1 – Do Not Approve the Agreement

- Council could decline to authorize the agreement.

This alternative is not recommended because existing staffing resources are insufficient to deliver the adopted Capital Improvement Program within desired schedules and service levels.

Alternative 2 – Direct Staff to Re-Solicit Consultant Services

- Council could direct staff to conduct a new consultant selection process.

This alternative is not recommended because it would delay delivery of numerous capital projects, increase administrative costs, and postpone implementation of Town Council adopted infrastructure improvements.

Alternative 3 – Approve the Agreement without the Kennedy Road Sidewalks and Bike Lanes Project Funding

- Council could authorize the agreement without including this project. In this scenario, staff would amend the agreement to remove that project before executing the agreement.

This alternative is not recommended because the Kennedy Road project was the fourth ranked project in the Town's Bicycle and Pedestrian Master Plan (Master Plan) which is why grant funding was sought. Completing a feasibility study will determine if the project should ever move forward; without completing the feasibility study it will never be clear whether this project should remain in the Master Plan. It would have been ideal for the feasibility assessment to be completed before construction grants were sought but that was not the case for this project, so staff recommend completing this task now.

COORDINATION:

This report and the proposed agreement were coordinated with the Town Attorney and the Administrative Services Department.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Agreement for Professional Services with Transtech Engineers, Inc.