



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 12/16/2025

ITEM NO: 10

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DATE: December 16, 2025  
TO: Mayor and Town Council  
FROM: Chris Constantin, Town Manager  
SUBJECT: **Authorize the Town Manager to Reopen the Los Gatos Creek Trailhead Connector Project (4118503, 4218503; CIP 832-4505), Authorize Associated Budget Adjustments, and Authorize the Town Manager to Execute an Amendment to the Agreement for Services with Zoon Engineering**

RECOMMENDATION: Authorize an expenditure budget adjustment in the amount of \$89,726 from previously awarded One Bay Area Grant funds; authorize an expenditure budget adjustment in the amount of \$421 from previously awarded Transportation Fund for Clean Air Grant funds; authorize an expenditure budget adjustment in the amount of \$3,188 from the General Fund Appropriations Reserve; and authorize the Town Manager to execute the Second Amendment to the Agreement with Zoon Engineering to extend the agreement date to March 31, 2026.

FISCAL IMPACT:

This item reopens the Los Gatos Creek Trailhead Connector Project (4118503, 4218503, CIP 832-4505) including an expenditure budget adjustment for One Bay Area Grant (OBAG) funding in the amount of \$89,726, an expenditure adjustment of previously awarded but unallocated TFCA grant funding in the amount of \$421, and an expenditure adjustment from the General Fund Appropriations Reserve for the Capital Improvement Program projects in the amount of \$3,188.

STRATEGIC PRIORITY:

The recommended action is not associated with a strategic priority. However, it does support the Town's Core Goals of Community Character and Quality Public Infrastructure.

PREPARED BY: Gary Heap  
Town Engineer

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Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

SUBJECT: Actions Related to the Extension of the Zoon Engineering Agreement for the Los Gatos Creek Trailhead Connector to Highway 9 Project (CIP 832-4505)

DATE: December 16, 2025

BACKGROUND:

The Los Gatos Creek Trailhead Connector to Highway 9 Project resulted in the construction of switchback trail access from the north side of Highway 9 and the Los Gatos Creek Trail and bicycle/pedestrian trail access on the south side of Highway 9 from University Avenue.

Construction bids were opened on April 6, 2023, and five contractors submitted bids. On August 1, 2023, the Town Council authorized the Town Manager to execute a construction agreement with Granite Construction in the amount of \$6,529,396 and authorized a 10% construction contingency in the amount of \$652,940. At that same meeting, the Town Council authorized the Town Manager to execute an agreement with Zoon Engineering in the amount of \$1,220,822 and authorized a 2.39% construction contingency in the amount of \$29,178. Zoon was contracted to provide construction management and construction inspection services on behalf of the Town. This service is critically important given the complexity of the project and associated funding sources.

Construction was completed on April 5, 2025. On June 3, 2025, the Town Council accepted the Los Gatos Creek Trailhead Connector project construction, directed staff to record a Notice of Competition with the County of Santa Clara, and approved the first amendment to the agreement for services with Zoon Engineering. The First Amendment to the Agreement for Consultant Services moved funding within tasks of the agreement but did not add funding or extend the time. The First Amendment was executed on July 24, 2025.

DISCUSSION:

The June action by the Town Council accepted the project, but there were remaining close-out tasks to be completed prior to the closure of the project. It was anticipated that the close-out activities would be completed by December 31, 2025. The Town Council action to accept the project was reflected in the adopted FY25-26 budget, which closed and defunded the project on June 30, 2025. Post-acceptance discussions with Granite and the filing of Caltrans project documentation have delayed the anticipated project close-out date until early 2026. Due to the delay, there have been invoices received from vendors after June 30, 2025, including those from Mott McDonald, Zoon, and Clare Gibson Attorney at Law. The recommended budget adjustments are needed to re-allocate the original project budget and pay the outstanding invoices.

Zoon continues to provide project management services and has remaining project close-out work that is expected to be completed in early 2026, after the current agreement expiration date of December 31, 2025. Staff recommends that the agreement performance period with Zoon Engineering be extended to March 31, 2026, to accommodate this remaining close-out work, which primarily consists of the submittal of various Caltrans forms and final invoicing. No additional funds are necessary to complete this work.

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<b>Trailhead Connector to Highway 9 Project</b>		
CIP Project 832-4505 (4118503, 4218503)		
<b>Budget</b>		
<b>Existing Appropriations</b>		
GFAR	\$	1,428,127
Grant - OBAG	\$	6,536,000
Grant - TFCA	\$	755,500
Grant - Measure B	\$	693,500
Grant - TDA	\$	68,884
GFAR - project closeout 6/30	\$	(143,209)
Grants - project closeout 6/30	\$	(164,294)
<b>Appropriations Recommended with this Staff Report</b>		
GFAR	\$	3,188
Grant - OBAG	\$	89,305
Grant - TFCA	\$	421
<b>Subtotal</b>	<b>\$</b>	<b>9,267,422</b>
<b>Expenditures</b>		
<b>Existing Expenditures</b>		
Consultation Services - Mott MacDonald Group	\$	813,680
Construction Contract - Granite Construction	\$	6,897,041
Consultation Services - Zoon	\$	1,167,961
Staff Labor	\$	252,450
Other Project Costs	\$	43,376
<b>Expenditures Recommended with this Staff Report</b>		
Consultation Services - Mott MacDonald Group	\$	7,687
Consultation Services - Zoon	\$	82,039
Legal Expenses	\$	3,188
<b>Subtotal</b>	<b>\$</b>	<b>9,267,422</b>
<b>Balance</b>	<b>\$</b>	<b>0</b>

**CONCLUSION:**

Staff recommend that Town Council reopen the Los Gatos Creek Trailhead Connector Project (4118503, 4218503, CIP 832-4505) to complete previously planned construction and consultation services that were delayed due to unforeseen circumstances. The recommendation includes an expenditure budget adjustment of OBAG grant funding in the amount of \$89,726, an expenditure adjustment of previously awarded but as yet unallocated

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TFCA grant funding in the amount of \$421, and an expenditure adjustment from the General Fund Appropriations Reserve for CIP Projects in the amount of \$3,188. The item also extends the term of the Agreement with Zoon Engineering to March 31, 2026.

COORDINATION:

This project has been coordinated with the Town Manager's Office, the Town Clerk's Office, the Town's Finance Department, and the vendor.

ENVIRONMENTAL ASSESSMENT:

This is a project as defined under CEQA but is Categorical Exempt (Section 15301). A Notice of Exemption was filed.

Attachments:

1. Second Amendment to the Agreement for Services – Zoon Engineering
2. Original Agreement and First Amendment