



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 09/15/2026

ITEM NO: 8

DATE: September 15, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Authorize the Town Manager to Execute an Amendment to the Agreement for Consultant Services with CSG Consultants, Inc. to Extend the Term and Increase the Not-To-Exceed Amount**

RECOMMENDATION: Authorize the Town Manager to execute a first amendment to the Agreement for Consultant Services with CSG Consultants, Inc. ("CSG") to extend the period of performance to June 30, 2030 and increase the not-to-exceed value to \$1,000,000.

FISCAL IMPACT:

The proposed First Amendment (Attachment 1) increases the maximum authorized agreement capacity by \$500,000, from \$500,000 to \$1,000,000. The increase provides additional contract capacity and does not appropriate any Town funds or guarantee any minimum amount of work. Consultant services will be authorized on an as-needed basis and only when applicant funding and sufficient budgetary appropriation are available.

As this is a pass-through agreement, consultant costs (Account Code 1115999-68416) will be recovered from land development applicants through developer deposits and applicable development-related fees (Account Code 1115999-48416). Staff time associated with administering and managing the consultant services will also be recovered from developers through the applicable cost-recovery mechanism (Account Code 1115202-44619). No additional appropriation or budget adjustment is required.

STRATEGIC PRIORITY:

This item addresses the Town's Strategic Priority to preserve the Town's small-town charm and provide a range of housing opportunities and historic neighborhoods, while diligently

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

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maintaining and implementing the Housing Element. (Goal: Community Character). By providing additional capacity for timely and thorough review of development plans and private construction activities, the recommendation will help ensure that development projects comply with Town standards and that adopted conditions of approval are constructed to the highest standards. This approach supports responsible development while helping preserve the Town's community character and quality of life.

BACKGROUND:

The Town's adopted 2023-2031 Housing Element identifies a Regional Housing Needs Allocation (RHNA) of 1,993 housing units for the 2023-2031 eight-year planning period. The Town has experienced a significant increase in land development activity associated with the implementation of the Housing Element and other State housing laws. Most recently, a single entitled project accounted for 451 proposed new dwelling units.

Once a project is entitled, the developer must submit building permit applications and various other documents required by the project's conditions of approval. The Parks and Public Works ("PPW") Department is responsible for reviewing these plans and documents, issuing permits, and inspecting construction activities to ensure compliance with the conditions of approval and all applicable federal, state, and local regulations. The increased volume and complexity of development activity have created a greater demand for PPW's land development review and inspection resources.

To supplement its in-house resources, PPW issued a Request for Qualifications (RFQ) in 2023 to establish an on-call consultant list for Engineering and Design Support Services. The RFQ solicited firms across 12 disciplines, including "Land Development Plan Review and Inspection Services." Firms with experience in land development plan review and construction inspection were invited to submit their qualifications for consideration. Responses were received from several firms and evaluated based on qualifications, experience, technical expertise, staffing resources, responsiveness, and familiarity with California municipal requirements.

On February 20, 2024, the Town Council approved the On-Call Consultants List for Engineering and Design Support Services.

On February 18, 2025, the Town Council authorized the Town Manager to execute a pass-through agreement (Attachment 2) with the highest-ranked firm on the on-call list, CSG Consultants, Inc. ("CSG"). The Town subsequently entered into an agreement with CSG to provide PPW with land development document review and inspection services, with a not-to-exceed amount of \$500,000 set to expire on June 30, 2028. This current amendment does not materially expand the previously approved scope of services. As of August 2026, the \$500,000 authorized under the existing agreement was expended.

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DISCUSSION:

Workloads associated with development applications, building permits, and private construction activities can fluctuate significantly from year to year. In recent years, the Town has seen private development projects of increasing complexity due to their high density and multiple stories. Managing the construction phase of these projects requires knowledge of advanced engineering and construction principles that are outside the scope of work of Town staff. Utilizing qualified on-call consultants provides the Town with the expertise needed to ensure the Town's interests are protected.

The proposed amendment to the agreement with CSG includes hourly rates and defines the terms and conditions under which services may be authorized by the Town. The Agreement does not guarantee any minimum amount of work or compensation. Services will be authorized through discrete tasks only after the Town confirms that sufficient applicant-funded deposits or other legally authorized applicant funds are available to pay for the services. The Agreement provides that the Town has no obligation to pay the Consultant for services unless sufficient applicant-funded deposits or other legally authorized applicant funds are available.

CONCLUSION:

Amending the consultant services agreement with CSG for on-call engineering services will enable the Town to quickly and efficiently respond when larger development projects receive entitlements and advance into the construction phase. The amendment will provide the Town with additional capacity to review construction-phase documents and support related inspection activities as needed.

COORDINATION:

This staff report was coordinated with the Administrative Services Department, Town Attorney's Office, and the Town Manager's Office.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. First Amendment
2. Original Agreement