



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/04/2026

ITEM NO: 3

DATE: August 4, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Authorize the Town Manager to Execute the Fifth Amendment to the Agreement for Services with Traffic Management, Inc. to Increase the Contract Amount by \$43,006.15 for the 2026 Holiday Traffic Road Closures and Extend the Period of Performance to August 31, 2027**

RECOMMENDATION: Authorize the Town Manager to Execute the Fifth Amendment to the Agreement for Services with Traffic Management, Inc., increasing the contract amount by \$43,006.15 for the 2026 Halloween and Children's Holiday Parade road closures and traffic control services, for a total contract amount not to exceed \$178,406.79 and extend the period of performance to August 31, 2027.

FISCAL IMPACT:

The recommended Fifth Amendment increases the total contract with Traffic Management, Inc. (TMI) by \$43,006.15, resulting in a new not-to-exceed amount of \$178,406.79. Funding for this amendment is included in the Fiscal Year 2026–27 Adopted Budget, Economic and Community Vitality Program 2106 (1112106-62435), and no additional appropriation is required.

STRATEGIC PRIORITY:

This item advances the Strategic Priority to ensure that residents and visitors feel a sense of belonging in Los Gatos by maintaining and enhancing the Town as a welcoming, family-oriented, safe, and inclusive community. This priority aligns with the Core Goal of Civic Engagement. The traffic control services also support the Core Goal of Public Safety.

PREPARED BY: Gary Heap
Town Engineer

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

BACKGROUND:

On February 7, 2023, the Town Council approved a series of event-related actions, including support and budget allocation for hiring a professional traffic control vendor to assist Town staff with road closure and traffic control services for two special events: the Halloween road closures (including the Almond Grove and Johnson Avenue neighborhoods) and the annual Children's Holiday Parade downtown.

The Town requested qualifications and cost estimates from several professional traffic management companies and selected Traffic Management, Inc. as they have specific experience in the logistics related to road closures and traffic management for special events. On September 21, 2023, the Town Manager executed the Agreement for Services in the amount of \$16,895.34.

On November 28, 2023, the Town Manager executed the First Amendment to the Agreement, increasing the total compensation to \$50,000 and modifying the scope to address the extensive requirements associated with the Children's Holiday Parade.

On August 20, 2024, the Town Council authorized the Town Manager to execute the Second Amendment, increasing the compensation to \$93,793 and extending the term to January 31, 2025. The Second Amendment authorized work for the 2024 Halloween road closures and the 2024 Annual Children's Holiday Parade.

On January 21, 2025, the Town Council authorized the Town Manager to execute a Third Amendment, extending the contract term to August 29, 2025.

On August 5, 2025, The Town Council authorized the Town Manager to execute a Fourth Amendment, extending the contract term to August 31, 2026.

TMI has provided services for both events since 2023 and has demonstrated the ability to work effectively with staff to execute these complex road closures.

DISCUSSION:

After three successful years of working with TMI for holiday road closures, staff requested a quote for the 2026 Halloween and Children's Holiday Parade events. Based on prior performance and familiarity with Town needs, staff negotiated a cost of \$39,096.50 for 2026 services (Attachment 1, Exhibit A) with an extension of the agreement through August 31, 2027. The increase in cost for 2026 is due to Halloween falling on a Saturday, which results in TMI having to pay overtime to their staff. Staff recommend adding 10% of the 2026 Holiday Road Closure costs (\$3,909.65) to cover any unforeseen traffic control issues that might occur during the events.

The Fifth Amendment to the Agreement for Services with Traffic Management, Inc., will increase the contract amount by \$43,006.15 to cover the 2026 Halloween and Children's Holiday Parade's road closure and traffic control services, for a total contract amount not to exceed \$178,406.79. The proposed Fifth Amendment extends the Agreement through August 31, 2027, amends the scope of work, and increases the total amount of the agreement to include the revised scope of work for the 2026 holiday road closures.

After the 2026 event season, staff will issue a Request for Proposal for traffic management for both events and execute a new agreement for these services.

CONCLUSION:

Approval of this amendment will allow the Town to continue working with TMI to provide traffic control services for the 2026 Halloween road closures and the annual Children's Holiday Parade.

COORDINATION:

This report was developed in collaboration with the Town Manager's Office of Economic Vitality, the Police Department, and the Parks and Public Works Department.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Fifth Amendment to the Agreement for Services with Traffic Management, Inc., including Exhibit A.
2. Original Agreement with First, Second, Third, and Fourth Amendments