



Legislation Details (With Text)

File #: 2019-439 **Version:** 1 **Name:**
Type: Consent **Status:** Agenda Ready
File created: 4/23/2019 **In control:** City Council
On agenda: 5/7/2019 **Final action:**
Title: CONSIDER APPROVAL OF AMENDMENT NO. 2 TO THE AGREEMENT WITH ENVIRONMENTAL SCIENCE ASSOCIATES (ESA) TO PROVIDE ENVIRONMENTAL CONSULTING SERVICES AND ADOPT RESOLUTION NO. 19-090 (CITY COUNCIL)
Sponsors: Community Services
Indexes:
Code sections:
Attachments: 1. Ex. 1 - ESA agreement, 2. Ex. 2 - ESA Amendment #1, 3. Ex. 3 - Proposed ESA Amendment #2, 4. Ex. 4 - Budget Reso 19-090

Date	Ver.	Action By	Action	Result
5/7/2019	1	City Council		

Report to Mayor and City Council

Tuesday, May 07, 2019

Consent

SUBJECT:

CONSIDER APPROVAL OF AMENDMENT NO. 2 TO THE AGREEMENT WITH ENVIRONMENTAL SCIENCE ASSOCIATES (ESA) TO PROVIDE ENVIRONMENTAL CONSULTING SERVICES AND ADOPT RESOLUTION NO. 19-090 (CITY COUNCIL)

I. SUMMARY

On October 18, 2016, the City entered into an agreement with the firm Environmental Science Associates (ESA) to provide on-call environmental consulting services (Exhibit No. 1). These services are necessary to ensure proposed development projects meet the requirements of the California Environmental Quality Act (CEQA) by preparing or peer-reviewing technical studies such as traffic studies and producing mitigated negative declarations and EIRs that inform the City Council, Planning Commission, and the public regarding the potential environmental impacts of development projects. ESA is one of four on-call CEQA consulting firms for the City.

Due to continued growth in development within the City, the need for the on-call consulting services provided by ESA increased. On May 1, 2018, City Council approved contract Amendment #1 to increase the contract amount to \$1,516,210 over the three-year contract period (Exhibit No. 2). While the first contract amendment provided for adequate funds, the

contract language limits the spending of funds by contract year rather than when services are actually requested and delivered. This second Amendment No. 2 will allow for payment when services are rendered. Staff is requesting that Council approve the second amendment to the agreement with ESA (Exhibit No. 3) to pay for past services, continue on-call environmental consulting services and enable payment for services when rendered. No additional funds are being requested.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Amendment No. 2 to the on-call environmental consulting services agreement with Environmental Science Associates (ESA).
2. ADOPT Resolution No. 19-090 to amend the FY2018/19 budget.

III. ALTERNATIVES

TAKE any other action the City Council deems appropriate that is consistent with the requirements of law.

IV. BACKGROUND

On October 18, 2016, the City entered into an agreement with the firm Environmental Science Associates (ESA) to provide on-call environmental consulting services for a three year term expiring October 18, 2019. The Planning Division has utilized ESA to provide compliance of development projects with the California Environmental Quality Act (CEQA) including initial studies, mitigated negative declarations, environmental impact reports (EIRs), technical studies, peer reviews, and other environmental assignments and responsibilities. Since the agreement was initiated, due to the increase in development projects, the City has experienced an increased demand for environmental consulting services. ESA has always remained flexible to the needs of the City in providing timely and professional results when asked to prepare environmental documents for development projects, both for private developers and for City projects.

The language of the original contract has a not-to-exceed amount per contract year. Amendment No. 1 set those amounts at \$816,210 for the first year, \$350,000 for the second year and \$350,000 for the third year, a total of \$1,516,210 for the three-year contract. However, that is not an accurate representation of when the services were required and funds were needed. Due to the fluctuations that occur over time in requesting and delivering services, it is impossible in advance to predict by contract year what level of funding will be required. Furthermore, once the City adopted the accounting standards of single-year (vs. multi-year) purchase orders (POs), any unexpended funds in a PO in a given year are swept back into fund balance. For the environmental consulting services

provided by ESA, the need has trended upward, so there was less need for services in the first contract year, a greater need in the second contract year, with a still greater need in the third contract year. Therefore, while the overall contract amount is not increasing, it is necessary to re-appropriate unexpended funds from Contract Year 1.

Below is a summary of the amount approved, expended, and paid in each of the contract years.

- ESA 1st contract year, October 16, 2016 - October 15, 2017
Original contract amount: \$250,000 Amended contract amount: \$816,210
Invoiced and paid: \$132,568.09
- ESA 2nd contract year, October 16, 2017 - October 15, 2018
Original contract amount: \$250,000 Amended contract amount: \$350,000
Invoiced: \$352,695.85 Paid: \$308,219.33 Outstanding: \$44,476.52
- ESA 3rd contract year, October 16, 2018 - October 15, 2019
Original contract amount: \$250,000 Amended contract amount: \$350,000
Invoiced: \$374,063.10 Paid: \$119,046.80 Outstanding: \$255,016.30

Anticipated additional expenditures through June 30, 2019: \$215,000

Anticipated additional expenditures from July 1 through October 15, 2019: \$260,000

Total original contract amount: \$750,000/3 years

Total amended contract amount (Amendment No. 1): \$1,516,210/3 years

Total invoiced to date: \$859,327.04

Total paid to date: \$559,834.22

Total outstanding (invoiced but not yet paid): \$299,492.82

Total additional anticipated work through contract term: \$475,000.00

Total anticipated for 3 year contract: \$1,334,327.04

This Amendment does not change the term of the agreement or the amount of the agreement, only allow for the ability to spend the funds when the services have been requested and delivered, mainly in the final two years. Staff is requesting that Council approve this Amendment to allow for the payment for services at the time the services are rendered.

V. FISCAL IMPACT

The not-to-exceed amount requested for the consultant will not increase from \$1,516,210 for the three-year contract. However, Budget Resolution 19-090 (Exhibit No. 4) re-appropriates the unspent \$525,000 from the first Contract Year, which allows for the unspent funds approved for prior fiscal years to be moved to the current fiscal year in account 771-99-999-999-2401 to pay for outstanding invoices and services provided this fiscal year. The costs of the consultant services are assumed by project applicants through the Planning Application Deposit Program. As a result, there is no direct impact to the City's General Fund.

VI. EXHIBITS

1. Contract Services Agreement with ESA. (pgs. 5-46)
2. 1st Amendment to Contract Services Agreement with ESA. (pgs. 47-49)
3. Proposed 2nd Amendment to Contract Services Agreement with ESA.
(pgs. 50-52)
4. Resolution No. 19-090. (pgs. 53-54)

Prepared by: Brent Gesch, Principal Administrative Analyst