



## MEMORANDUM

**TO:** City Council

**FROM:** Bill Robeson, Assistant City Manager/Public Works Director

**BY:** Shannon Sweeney, City Engineer  
Natalie Riddering, Planning/Engineering Permit Technician

**SUBJECT:** Amendments to On-Call Consultant Services Agreements for Support to the Community Development and Public Works Departments

**DATE:** September 9, 2024

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### **RECOMMENDATION:**

- 1) Authorize the City Manager to amend on-call consultant service agreements between the City and sixteen (16) consultants currently on the City's on-call list for consultant services in 16 disciplines for the Community Development and Public Works Departments, subject to minor modifications determined to be necessary and appropriate by the City Attorney; and
- 2) Make findings that executing agreement amendments with consultants is not a project subject to the California Environmental Quality Act (CEQA) because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.)

### **IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

No costs are associated with amending existing on-call services agreements. Costs will be incurred for specific projects and services in compliance with the approved budget and City's purchasing policy requirements.

### **BACKGROUND:**

The use of on-call consultants has been found to be an effective tool in the delivery of City projects and services. On March 12, 2021, the City issued a Request for qualifications

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for On-Call Professional Consulting Services in 16 disciplines:

**Table 1 – Disciplines**

1. Architectural	9. Landscape Architecture
2. Civil Engineering	10. Material Testing/Evaluation
3. Construction Management/Inspection	11. Planning
4. Environmental Consulting & Permitting	12. Right of Way
5. Geotechnical Engineering	13. Structural Engineering
6. Geographic Information Systems (GIS)	14. Surveying
7. Grant Administration	15. Traffic Engineering
8. Hydrology and Stormwater	16. Water/Wastewater Engineering

On April 29, 2021, the City received qualified Statement of Qualifications from fifty-seven (57) firms. Each of the proposals was ranked by City staff based on the following publicly advertised criteria:

1. Understanding of the work related to the specific discipline (30%).
2. Demonstrating competence, professional qualifications and availability of proposed staff to be assigned (30%).
3. Recent experience in successfully performing similar services (30%).
4. Overall proposal completeness, quality, clarity, responsiveness and methodology (10%).

On [July 27, 2021](#)<sup>1</sup>, the City Council approved on-call services agreements with 41 consultants in 16 disciplines for support to the Community Development and Public Works Departments.

On [July 23, 2024](#)<sup>2</sup>, the City Council authorized the City Manager to extend agreements for two (2) years between the City and 41 consultants in 16 disciplines that were on the City’s on-call services list for consultant services to support the Community Development and Public Works Departments.

On July 31, 2024, the City executed 2-year agreement extensions for on-call services with 25 consultants in 16 disciplines beginning August 1, 2024, and ending August 1, 2026.

<sup>1</sup> [https://www.arroyogrande.org/AgendaCenter/ViewFile/Agenda/\\_07272021-1353?html=true](https://www.arroyogrande.org/AgendaCenter/ViewFile/Agenda/_07272021-1353?html=true)

<sup>2</sup> <https://pub-arroyogrande.escribemeetings.com/Meeting.aspx?Id=00bc5336-7aca-4ac4-902c-22449b8a9381&Agenda=Merged&lang=English>

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**ANALYSIS OF ISSUES:**

The intent of the on-call program is to provide an efficient and cost-effective mechanism for the City to secure consulting services that allow City business to be conducted in a manner consistent with the City's purchasing policy. The number of consultants in a given expertise area is large enough to provide redundancy of services and increases the likelihood of the City receiving competitive proposals for a specific project, while small enough to provide opportunities for all selected consultants to complete some level of work for the City.

With this program in place, when a need arises, staff prepares a project specific request for proposal from the consultants. The consultants review the request and provide a proposal for work activities and associated costs. Staff evaluates the proposed work plan and cost and then selects the proposal that meets the City's needs. If the proposal cost is within the City Council approved project or service budget, the City issues a purchase order for this work, and directs the consultant to proceed. Once the consultant begins work, the contract period does not expire until the consultant has completed the purchase order work.

Due to a variety of factors, such as increased labor and material costs, several of the consultants that executed the two (2) year agreement extension for on-call services have rate schedules that are expired and do not reflect the consultant's current rate schedules under the existing agreement terms. While the City can request that the consultants continue to be part of the program at their previous rate schedules, staff requested all twenty-five (25) consultants that extended agreements with the City to submit updated rate schedule proposals by August 23, 2024. Of the 25 consultants, 16 submitted updated rate proposals.

Allowing the 16 consultants to update rate schedules to include years through the agreement extension, 2024-2026, will not impact the City's discretion when considering cost as part of work proposals submitted by consultants. It is in the best interest of the consultants to provide competitive rates because staff solicits multiple proposals when qualifying projects arise. The City requests scope and fee information as part of all consultant proposals and makes consultant selections for work with cost efficiency in mind.

**ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

1. Approve staff's recommendations;
2. Modify and approve staff's recommendations;
3. Do not approve staff's recommendations; or
4. Provide other direction to staff.

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**ADVANTAGES:**

Approving the amendment to 16 on-call service agreements will continue the mutually beneficial working relationship the City has with consultants on the on-call services list by allowing the consultants to be compensated for work at up-to-date rate schedules rather than the expired rate schedules per the current agreement terms.

Establishment of on-call service agreements does not preclude the City from obtaining consultant services through the formal Request for Proposals (RFP) process for specific project needs or specialty work, and the City will continue to monitor total expenditures to ensure compliance with City's purchasing policy requirements.

The recommended action includes language authorizing the City Attorney to make minor modifications to an agreement when such modifications are requested and determined to be necessary and appropriate, as oftentimes a consultant will request or require a minor modification to insurance or other provisions.

**DISADVANTAGES:**

There are no disadvantages anticipated. Since its inception in 2021, the on-call consultant services program has consistently proven to be cost and time-efficient.

**ENVIRONMENTAL REVIEW:**

Executing extension letters with consultants with whom the City already has active on-call contracts is not a foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378 project subject to the California Environmental Quality Act (CEQA) *because* it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

**PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

**ATTACHMENTS:**

1. Agreement Amendment Template
2. On-Call Consultants List 2024-2026