



Administrative Report

H.9., File # 24-1298

Meeting Date: 7/30/2024

To: MAYOR AND CITY COUNCIL

**From: MICHAEL W. WEBB, CITY ATTORNEY JOY ABAQUIN FORD,
QUALITY OF LIFE PROSECUTOR**

TITLE

APPROVE THE FIRST AMENDMENT TO THE ON-CALL CONSULTING SERVICE AGREEMENT WITH DAVID EVANS AND ASSOCIATES, INC., TO INCREASE THE NOT TO EXCEED AMOUNT BY \$150,000 FOR A NEW TOTAL NOT TO EXCEED AMOUNT OF \$250,000.

ADOPT BY 4/5 VOTE AND BY TITLE ONLY RESOLUTION NO. CC-2407-059, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AUTHORIZING A FISCAL YEAR 2024-2025 BUDGET MODIFICATION TO APPROPRIATE \$1,338,753 OF GRANT FUNDS TO THE INTERGOVERNMENTAL GRANTS FUND FOR THE EXPANSION OF THE REDONDO BEACH PALLET SHELTER AND IMPLEMENTATION OF THE ALTERNATIVE CRISIS RESPONSE PILOT PROGRAM.

EXECUTIVE SUMMARY

On April 9, 2024, the Mayor and Council approved an agreement with Health Net to accept an award of \$1,338,753 for the expansion of the Redondo Beach Pallet Shelter as well as for an Alternative Crisis Response (ACR) Pilot Program. Health Net wired the funds to the City in July 2024. The City can now move forward with capital improvements to the Pallet Shelter to expand it. Civil and transportation engineering will be required for the expansion. These professional services can be provided by David Evans and Associates.

In an effort to accelerate CIP project delivery, Public Works Department staff has negotiated on-call professional service agreements with engineering, architecture and surveying firms to allow for quick assignment of smaller tasks by setting up the contract conditions in advance. On-call service contracts are, by definition, fully defined as to the scope, amount and encumbrance of a funding source. To overcome these uncertainties, these contracts include a mechanism for staff to receive quotes and award work on a task by task basis, with a "not to exceed" limit for the amount of work awarded to a consulting firm over the life of the contract. Funding for each task comes from projects and programs that have already received Council appropriations.

The City Council has awarded a number of these contracts in the past, including one to David Evans and Associates. They have been successfully used in a number of projects to accelerate project delivery timelines. Staff is now bringing an additional amendment to an existing contract forward for approval by the City Council. The proposed amendment is included as an attachment.

Staff recommends that the Mayor and Council adopt the resolution to appropriate that funding to the Intergovernmental Grants Fund, add the Pallet Shelter expansion to the CIP list, and approve the First Amendment to the on-call consulting service agreement with David Evans and Associates, Inc.

BACKGROUND

Health Net has awarded \$1,338,753 to the City for an Alternative Crisis Response (ACR) Pilot Program (\$570,000) and expansion of the Pallet Shelter (\$768,750). An appropriation is required to record the revenue and create budget for expenditures. The City spent \$300,057 of the funding designated for the Pallet Shelter in FY 2023-24 upon receipt of a support letter from Health Net issued in December 2023 confirming grant funding.

In addition to this grant funding, the City is working with the County to get a draft agreement for the grant from Supervisor Holly Mitchell for \$800,000 for the balance of the Pallet Shelter expansion. That will come to Council at a future meeting.

The City is also working on a contract with a potential service provider for the ACR Pilot Program. An agreement will also come to Council at a future meeting.

With the funding now available, the City can move forward with the capital improvements to expand the Pallet Shelter. This will require civil work that can be provided by David Evans and Associates. David Evans and Associates is a civil and municipal engineering consultant who specializes in many facets of municipal engineering disciplines.

During the City's process for the FY 2018-19 budget cycle, a Budget Response Report identified several tools that would be useful in accelerating the pace of delivery of CIP projects. One tool that staff strongly recommended is on-call contracting for professional services. On-call service contracts are, by definition, not fully defined as to the scope, amount and encumbrance of a funding source. To overcome these uncertainties, the contracts include a mechanism for staff to receive quotes and award work on a task-by-task basis, with a "not to exceed" limit for the amount of work awarded to a vendor. This allows staff to quickly assign smaller work tasks (e.g. geotechnical engineering, surveying, etc.) without having to develop and present an individual contract to the City Council for award. Funding sources for on-call contracts are not identified at the time of award. Rather, as tasks are assigned to an on-call vendor, the funding is assigned (using the purchase order) from the already appropriated funding source for the particular project to which the work applies.

The Engineering Services Division and the City Attorney's Office worked together to develop a contract template for solicitation of RFP's for on-call consulting services. The template is usually a two-year term with a not to exceed value of \$100,000 over the two years. Many of these contracts have been renewed for additional two-year terms, and new vendors have been awarded contracts as the City's need for on-call firms grows and changes. These agreements provide the City with a deep and broad "bench" of firms to supplement staff efforts to deliver CIP projects.

Given the grant deadlines and priority of the expansion of the Pallet Shelter, staff is recommending increasing the not to exceed amount with David Evans and Associates by \$150,000 to \$250,000 to allow the accelerated delivery of project design.

Staff recommends that the Mayor and Council 1) approve the resolution to appropriate the funding to the Intergovernmental Grants Fund; 2) add the Pallet Shelter expansion to the CIP list; and 3)

approve the First Amendment to the agreement with David Evans and Associates.

COORDINATION

The City Attorney's Office coordinated with the Engineering Department and the Finance Department in connection with the preparation of this report.

FISCAL IMPACT

No additional funding impacts occur by approving the contract amendment because the Health Net grant will fund the required professional services from David Evans and Associates. Funding is committed as tasks are assigned by staff and only from funds that the Council appropriates to the project. In addition, this grant will also fund the entirety of an ACR Pilot Program and almost half of the budget to expand the Pallet Shelter, which includes these professional services. The other half of the Pallet Shelter expansion will be funded by a grant from Supervisor Mitchell.

ATTACHMENTS

- First Amendment to the On-Call consulting Service Agreement with David Evans and Associates, Inc.
- Resolution No. CC-2407-059