



**CITY COUNCIL
STAFF REPORT**

MEETING DATE: April 8, 2024

ITEM TITLE: Adopt a Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Good City Company for Planning Staffing Consulting Services for the Community Development Department's Planning and Economic Development & Housing Divisions, and Other Departments as Requested, for a Period of Three Years, with the Option of Two One-Year Extensions, in an Amount Not to Exceed \$400,000 from March 21, 2024 to June 30, 2024; Thereafter Not-to-Exceed \$1,200,000 Per Fiscal Year for a Total Contract Amount Not-to-Exceed \$6,000,000.

RECOMMENDATION:

Staff recommends that the City Council adopt a Resolution authorizing the City Manager to execute a contract with Good City Company to continue support staffing consulting services for the Planning Divisions, Economic Development & Housing Division of the Community Development Department, and for other departments, as requested, for a period of three years, with the option of two one-year extensions, in an amount not to exceed \$400,000 from March 21, 2024 to June 30, 2024; thereafter not-to-exceed \$1,200,000 per fiscal year, for a total contract amount not-to-exceed \$6,000,000.

FISCAL IMPLICATIONS:

There is no fiscal impact associated with this recommendation and no additional budget appropriation is necessary at this time.

Funding for the Good City Company contract would come from the budget allocated for the "Contractors" account for Community Development, Current Planning, Advance Planning, Economic Development, and Housing in-lieu.

A portion of the fees will be offset by developer fees. Table 1 provides account information for each division.

Table 1: Budget appropriations for "Contractors" account

Division	Account number	Allocated Budget (FY 24/25)
Community Development	1640000-520330	\$11,496
Current Planning	01191000-520330	\$366,000
Advance Planning	01191001-520330	\$191,800
Economic Development	01640033-520330	\$168,200
Housing In-lieu	02929100-520330	\$324,300
Key Development Projects	01191000-407009	Developer Fees/Deposit Collected

BACKGROUND:

The Community and Economic Development Department has relied on contract staffing services for many years, particularly supplemental staffing services to assist the City's full-time staff with processing development applications, managing complex projects, facilitating key development applications, and supporting long-range planning and implementation initiatives. Support staffing enables the Community Development Department to adjust its staffing needs up or down in accordance with economic cycles and fluctuations in workload demand.

Current Development Activity: In the past few years, market demand activity resulted in more development applications, including complex projects for proposed research and development, and biotech and life science developments. In addition, City Council priorities have given rise to two specific plans initiated and underway at the same time. Also, state mandates require staff attention to additional projects, such as completion of objective design standards which require a higher level of expertise. All of these give rise to requests for meetings, responding to inquiries from the public and local-regional-state agencies, organizing and conducting public outreach, and consultant management and oversight.

Furthermore, in recent years, the City has experienced a substantial increase in projects critical to its strategic objectives. This surge necessitates considerable staff engagement in meeting requests, research, background analysis, and strategizing to fulfill these objectives. Consequently, there's a frequent need to extend research and advisory capacities through contract staffing. These contracts not only provide routine assistance but also offer strategic guidance, requiring the inclusion of a senior staff and policy advisor for special projects or initiatives. Moreover, there are instances where planning services must extend to other departments to support inter-departmental projects, such as open space planning with the Park and Recreation Department or transportation planning with the Public Works Department.

The desire to have additional contract staff to supplement departmental needs is also due to the increase in complex, key development projects (such as 60+ townhomes Vista del Grande project, research and development proposals by Alexandria development, specific plan projects, state-driven ordinance updates, state-driven annual reporting, etc.). These projects require additional oversight and a higher level of experience and expertise to administer through the entitlement and approval process within very short turnaround times.

The Need for Contract Planning Services: Full-time City staffing occasionally fluctuates with employees moving on from their positions, or common day-to-day absences. With this fluctuating demand, the Community Development Department can increase support staffing services to respond to the continued variations in workload to maintain quality customer service and quality products. Support staffing allows the Community Development Department to grow and reduce staff as needed in response to economic cycles and workload demand.

ANALYSIS:

Request for Qualifications: A request for qualifications (RFQ) was released for six weeks to solicit statements of qualifications from qualified firms. The RFQ was sent directly to firms, and posted on the City's website, Planetizen (a professionally recognized independent resource for planning), and the American Planning Association (APA) website. The Community and Economic Development Department received six responses from 4Leaf, City Advisors, CSG, Good City Company, Interwest, and VCA code and short-listed two qualified firms. Table 2 indicates main office locations of responding firms.

Table 2: Office locations of responding firms

	Firm	Location
1	4Leaf	Santa Cruz, CA
2	City Advisors	Rancho Mission Viejo, CA
3	CSG	Orange, CA; Foster City, CA
4	Good City Company	Redwood City, CA
5	Interwest	Loveland, CO; Fremont, CA
6	VCA Code	Orange, CA

The criteria for shortlisting firms included their ability to be physically present at City Hall, professional standing and experience in the Bay Area, alignment of planning services with the City's needs, and the regular availability of staff. Notably, some firms primarily operated in Southern California, limiting their in-person availability, while others proposed billing for travel expenses.

After careful consideration, two firms were shortlisted (CSG and Good City Company) and subsequently interviewed in-person by a selection committee consisting of Al Savay (Community and Economic Development Director), Andrea Mardesich (Assistant Community Development Director), Chris Valley (Chief Building Official), and Rucha Dande (Principal Planner). The interviews allowed the committee to engage with the firms' principals and key staff members.

Following the interviews, staff recommends that Good City Company be retained for planning staffing consulting services. Notably, the hourly rates offered by Good City Company are comparable to the other firm (see Table 3 below).

Table 3: Comparison of Hourly Rates

Position	Good City Company Hourly Rate	CSG Hourly Rate
Principal Planner	\$195	\$200
Senior Planner	\$170	\$185
Associate Planner	\$140	\$170
Economic Development Coordinator	\$140	Service not provided

About Good City Company: Good City Company is co-owned by Lisa Costa Sanders and Aaron Akin. The staff are familiar with the City's policies and procedures and have developed a good rapport with City staff, regional agencies, and the development community. Good City Company has served the City of San Carlos for many years with high quality and professional expertise and has a significant amount of historical knowledge and institutional memory that continues to be a high-value asset. In choosing Good City Company, staff determined that although the competing firms proposed competent staffing, they would not necessarily be available in-person per City's needs, and there would be a significant investment in time and training to assimilate new staff.

Good City Company provides a unique service by providing staff that can work up to 40 hours per week at City Hall alongside regular, full-time city staff. Other firms interviewed by the City could not readily meet this need.

Agreement: Under this agreement it is recommended that the total contract cap be set at an

amount not to exceed \$6,000,000 to cover the initial three years, and two, one-year extensions with each year not to exceed \$1,200,000. Altogether, this amounts to 5 years and a total of \$6,000,000, costs will be covered by appropriations under the current and future budgets for Current Planning, Advance Planning, Economic Development and Housing Contract Services.

It is important to note that the expenditure on the contract may vary depending on the annual activity level, potentially falling below the maximum contract limit in certain years. Moreover, deposits received for significant development projects will offset the expenses incurred by Good City Company for each project. To address these costs, the Council has already allocated funds for FY 2024-25, as detailed in Table 1.

The subsequent increase in budget allocation compared to previous planning staffing services contract aims to accommodate the increased hourly billing rates based on the current market and the ability to help with cross-functional projects without necessitating subsequent contract amendment from the City Council.

Contract Timeline: For operational efficiency, if approved by the Council, the contract will be divided into two phases. The first phase will run from March 21, 2024 to June 30, 2024, followed by the second phase spanning from July 1, 2024 to June 30, 2025 to align with the fiscal year cycle.

During the initial phase, covering March 21, 2024 to June 30, 2024, the budget allocation shall not exceed \$400,000. Subsequently, for the period from July 1, 2024 to June 30, 2025, the maximum annual contract amount shall not exceed \$1,200,000 per fiscal year for a period of three years, with the option of two one-year extensions and total contract amount not to exceed \$6,000,000.

In addition, upon approval of this contract agreement, the Council will retroactively approve the contract for Good City Company, effective from March 21, 2024, marking the expiration of the previous contract.

ALTERNATIVES:

The alternatives available to the City Council include:

1. Adopt a Resolution authorizing the City Manager to execute a Professional Services Agreement with Good City Company for Planning Staffing Consulting Services to the Community Development Department's Planning and Economic Development & Housing Divisions, including Other Departments as Requested, for a period of three years, with the option of two one-year extensions, in an amount not to exceed \$400,000 from March 21, 2024 to June 30, 2024; thereafter Not to Exceed \$1,200,000 Per Fiscal Year for a Total Contract Amount Not to Exceed \$6,000,000; or
2. Do not adopt the Resolution; or
3. Provide staff with alternative direction.

Respectfully submitted by:

Al Savay, Community Development Director

Approved for submission by:

A handwritten signature in black ink, appearing to read "J. Maltbie", written over a horizontal line.

Jeff Maltbie, City Manager

ATTACHMENT(S):

1. Resolution
2. Good City Company Proposal
3. Standard Contract Agreement