



CITY COUNCIL STAFF REPORT

MEETING DATE: September 23, 2024

ITEM TITLE: Adopt a Resolution Authorizing the City Manager to Extend a Professional Services Agreement with RSG for On-Call Economic Advisory Services for One Year in the Amount of \$320,000, which includes Ratifying a Payment of Approximately \$120,000 for Work Already Completed.

RECOMMENDATION:

Staff recommends that the City Council adopt a Resolution authorizing the City Manager to amend a professional services agreement with RSG for on-call economic advisory services for one year in the amount of \$320,000, which includes ratifying a payment of approximately \$120,000 for work already completed.

FISCAL IMPLICATIONS:

There is no fiscal impact and no additional appropriation is needed at this time.

This agreement does not impose new fiscal obligations on the City of San Carlos, as these costs have been budgeted. The purpose of this action is to amend the total allocated amount for this agreement. The agreement does not include a retainer or guarantee of work. Services will be requested through proposals, with selection based on cost, timeliness, and approach.

BACKGROUND:

On August 24, 2022, the City entered into a professional services agreement with RSG for on-call economic development and housing consulting services. The agreement expires on June 30, 2025. Due to the large amount of development review over the past two years, the total contracted amount of \$200,000 was exceeded by approximately \$120,000. Of the \$320,000 spent in the last two years, approximately 71% was attributed to key development projects as a pass-through expense.

ANALYSIS:

The City is evaluating several projects requiring specialized economic development and housing consulting services, including community benefit negotiations, below-market rate housing transactions, etc. As projects like the Alexandria development and other property acquisitions progress, these specialized consulting services are increasingly necessary. RSG has been providing these services on an on-call basis, enabling staff to advance projects efficiently and

effectively. The contract originally included a limit of \$200,000, with most costs reimbursed by developers. The extension will allow continued support under the same terms.

A request for proposals (RFP) will be issued in the coming year for future on-call economic development and housing consulting services.

ALTERNATIVES:

The alternatives available to the City Council include:

1. Adopt a Resolution authorizing the City Manager to amend a professional services agreement with RSG for on-call economic advisory services in the amount of \$320,000, which includes ratifying a payment of approximately \$120,000 for work already completed; 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:



Jeff Maltbie, City Manager

ATTACHMENT(S):

1. Resolution
2. 2024 Addendum with RSG
3. 2022 Original Agreement with RSG