

City of Hesperia

STAFF REPORT



DATE: April 15, 2025

TO: Mayor and Council Members

FROM: Rachel Molina, City Manager

BY: Cassandra Sanchez, Director of Public Works/City Engineer
Cristina Hall, Assistant Project Manager

SUBJECT: Amend the Professional Services Agreements for On-Call Engineering Design Services for Roadway Projects Funded by the CDBG Program

RECOMMENDED ACTION

It is recommended that the City Council:

- 1) Approve an amendment to each of the three existing on-call contracts for On-Call Engineering Services for roadway improvement projects funded by the City's annual Community Development Block Grant (CDBG) in the amount of \$350,000 each, for a revised not-to-exceed contract amount of \$700,000 each;
- 2) Approve a two-year contract extension; and
- 3) Authorize the City Manager or designee to execute the amendment to the Agreement and any other necessary documents related thereto.

BACKGROUND

The City's annual Capital Improvement Program (CIP) Budget includes the construction of roadway improvement projects that are funded by the U.S. Department of Housing and Urban Development (HUD) through its CDBG program. The proposed roadway improvements normally require the preparation of environmental documents, design surveying, geotechnical investigations, preparation of plans and specifications, and construction engineering services. Due to the extensive documentation effort and regulatory requirements placed on projects that received CDBG funding, staff solicited for these services separate from the engineering services required for other projects.

Soliciting for professional contract services is a lengthy process of roughly three (3) to four (4) months. Rather than preparing a Request for Proposal (RFP) and going through the RFP review process for each individual project, it is more efficient and cost-effective to have consultants "on-call" and available when such services are needed. Further, this method shortens the duration of time preceding the start of design or the construction of a project.

HUD stipulates that CDBG Program funds received by the City must be spent in a timely manner (within one year). Having engineering consultants on-call shortens the project completion time, which is critical to meet the timeliness requirement. The on-call process has been utilized by the City in the past and has proven to provide timelier project implementation as well as reduce contract administration time and costs. Every roadway improvement project identified in the CIP that is funded by CDBG program funds will require professional engineering services throughout

the duration of the various phases of the project from preliminary engineering through construction completion.

On August 2, 2022, City Council awarded three On-Call Engineering Design Service for Roadway Projects Funded by the CDBG program contracts as follows:

Angenious Engineering Services (PSA # 2022-23-048)	\$350,000
Onward Engineering (PSA # 2022-23-049)	\$350,000
Psomas (PSA # 2022-23-050)	\$350,000

Continuing this agreement allows these consultants to remain engaged in essential work, particularly to meet grant deadlines and other time-sensitive requirements.

To maintain competitiveness among consultants for City projects, staff will request cost proposals from each of the on-call consultants for upcoming work. These proposals will be reviewed to ensure a clear understanding of the scope of work, the proposed costs for services, and the availability of the consultants. Some of the consultants have already gone through this process as part of ongoing projects.

ISSUES/ANALYSIS

The City Council has continuously expressed a desire to improve existing roadways within the City. As a result, staff has sought innovative ways to fund such improvements. Annually the City receives Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD). In the past a large part of this funding was directed to programs, which left small amounts available for capital improvement projects. In order to accomplish the Council's goal of improving more streets throughout the City, a larger amount of CDBG funding has been designated towards the CDBG Capital Fund.

The City must meet HUD's timely performance measures. This means compliance with the regulatory requirement that the City spends its program funds in a timely manner. The goal of these contract amendments is to streamline the process and assist with meeting HUD's timeliness. On-call contracts are imperative to meeting this goal.

The consultants are currently, or will be, performing work that will carryover fiscal years and the contract authority for the on-call contracts is nearly depleted. To continue work and meet timeliness with the CDBG program, staff is requesting an increase to the on-call contracts as well as a two-year extension to the original three-year contract term.

Increasing the contract will not require the City to use the entire contract amount. Actual expenditures will be based on services as they occur.

Consultants were informed that approval of the recommended action does not guarantee the issuance of contracts and/or task orders. On-call contracts allow staff the flexibility to mobilize professional services quickly and efficiently under pre-negotiated terms and conditions. On-call professional service contracts are standard practice in areas like engineering, construction, and consulting and can be found in local, regional, and state government agencies such as San Bernardino County and the California Department of Transportation.

Currently, Onward Engineering is handling the FY 2023-24 Street Improvement Project (C.O. No. 7172) for Oakwood Avenue. The engineering design cost for this project is \$156,987.

In addition, a Request for Cost Proposal has been issued for the upcoming FY 2024-25 Street Improvement Project (C.O. No. 7175). The City will be moving forward with Psomas, with an agreed cost of \$208,110 for this project.

CITY GOAL SUPPORTED BY THIS ITEM

Capital Improvement – Continually evaluate capital improvement priorities.

FISCAL IMPACT

CDBG funds are budgeted in the FY 2024-2025 CIP budget. Funding for continuing projects, and new projects, will be budgeted each year in the CIP Budget. Projects budgeted each fiscal year will include adequate appropriation authority for the engineering services needed on a particular project.

ALTERNATIVE(S)

1. Do not increase and extend the existing PSAs and direct staff to re-solicit for new on-call engineering services contracts or individual contracts for each project and redirect CDBG funds elsewhere.
2. Provide alternative direction to staff

ATTACHMENT(S)

1. Staff Report On-Call Engineering Services August 2, 2022
2. On-Call Engineering CDBG Fee Schedules