



NEWPORT BEACH

City Council Staff Report

July 23, 2024
Agenda Item No. 14

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Amendment No. Four to a Professional Services Agreement with Sagecrest Planning and Environmental for Staff Augmentation

ABSTRACT:

On April 15, 2021, the City of Newport Beach entered into a Professional Services Agreement (PSA), with Sagecrest Planning and Environmental (Sagecrest), for planning consulting services in support of Planning Division activities. Amendment One, approved in June 2022, increased the total compensation and updated billing rates. Amendments Two and Three increased the total compensation and extended the termination date of the PSA. For the City Council's consideration is Amendment Four to the PSA, which is needed to maintain those services due to changes in staffing and a high workload.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Approve Amendment Four to increase the total compensation of the agreement by \$125,000, for a new not-to-exceed amount of \$525,000, and authorize the Mayor and City Clerk to execute the Amendment.

DISCUSSION:

Due to a high workload and fluctuations in personnel, the Planning Division uses on-call consulting services for a variety of planning-related functions. Services include the review of plans for zoning consistency, the processing of discretionary applications, preparation of amendments to the General Plan, Zoning, and Local Coastal Program, and preparation of environmental documents or other special studies.

Initially, the Community Development Department executed a PSA with Sagecrest for a not-to-exceed amount of \$120,000 (Attachment E). The City Council approved Amendment One (Attachment D), increasing the total contract amount to \$240,000; and Amendment Two (Attachment C) increasing the total contract amount to \$360,000.

The City Manager approved Amendment Three (Attachment B) increasing the total contract amount to \$450,000. The current contract amount will not be sufficient to cover costs through the termination date of the agreement (June 2025), and the need to continue consulting services remains. It is the intent of the Department to execute a new Request for Proposals for planning consulting services in Fall 2024.

The Planning Division currently has two vacancies, including a planning manager and an associate planner. In the interim, the responsibilities of both positions have been shifted to other staff members and to the on-call Sagecrest consultants. These factors, coupled with a high workload, the need to update codes for compliance with continuous changes in State housing laws, and General Plan Update efforts necessitate continuation of services provided by Sagecrest and the proposed amendment. The current contract amount is nearly exhausted and increasing it an additional \$125,000 is needed to ensure necessary support throughout the term of the agreement while the Department fills vacant positions, and ensures new personnel are sufficiently trained. The increased contract amount should be sufficient to maintain Department activity through this transition. It will also provide flexibility to increase or decrease staffing to meet a fluctuating workload and staffing environment.

FISCAL IMPACT:

The proposed FY2024-25 budget includes sufficient funding for this agreement, and it will be expensed to the Planning Professional Services account [01050501-811008] in the Community Development Department budget.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

- Attachment A – Amendment Four to Professional Services Agreement
- Attachment B – Amendment Three to Professional Services Agreement
- Attachment C – Amendment Two to Professional Services Agreement
- Attachment D – Amendment One to Professional Services Agreement
- Attachment E – Professional Services Agreement with Sagecrest Planning and Environmental, LLC