



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO.:
COUNCIL MEETING: February 6, 2007
APPROVED BY
DEPARTMENT DIRECTOR 
CITY MANAGER

February 6, 2007

FROM: KEITH BERGTHOLD, Acting Director
Planning and Development Department

BY: MICHAEL SIGALA, Manager 
Housing and Community Development Division

SUBJECT: RECOMMEND CITY COUNCIL APPROVE AMENDMENT INCREASING CONSULTANT SERVICES AGREEMENT WITH KRAZAN AND ASSOCIATES INC. TO \$80,000 FOR ENVIRONMENTAL SERVICES FOR AFFORDABLE HOUSING PROJECTS, PROGRAMS AND ACTIVITIES

KEY RESULT AREA

One Fresno

RECOMMENDATION

Recommend City Council approve amendment increasing consultant services agreement with Krazan and Associates Inc. to \$80,000 for environmental services for affordable housing projects, programs and activities.

EXECUTIVE SUMMARY

The Housing and Community Development Division routinely uses environmental consultant services to perform on-demand environmental assessments for the City's affordable housing activities including those funded with Home Investment Partnerships (HOME) Program funds. Completion of the National Environmental Policy Act (NEPA) environmental review process is mandatory under the U.S. Department of Housing and Urban Development (HUD). In addition, phase one environmental assessments and California Environmental Policy Act (CEQA) environmental reviews are also required for many of the division's activities. The City annually awards environmental review contracts with one to two companies through a competitive Request for Proposal (RFP) process. This year, a contract was awarded to Krazan and Associates Inc., however, due to a high level of project activity, the contract amount needs to be increased beyond the city staff contracting threshold thus requiring Council approval.

KEY OBJECTIVE BALANCE

Approval of the increase presents an opportunity to make a positive impact to the Customer Satisfaction, Employees Satisfaction, and Financial Management Key Objectives. The approval impacts the Customer Service aspect by demonstrating the City's commitment to ensuring affordable housing projects meet the City and U.S. Department of Housing and Urban Development environmental review process. The approval also attributes to Employee Satisfaction by authorizing the necessary consultant services be obtained in order to complete housing projects. In addition, it demonstrates Financial Management through prudent oversight and compliance with city contracting and procurement procedures.

BACKGROUND

The Housing and Community Development Division routinely uses environmental consultant services to perform on-demand environmental assessments for the City's affordable housing activities, projects and programs including those utilizing Home Investment Partnerships (HOME) Program funds. Completion of the National Environmental Policy Act (NEPA) environmental review process is mandatory under the U.S. Department of Housing and Urban Development (HUD), Home Investment Partnerships (HOME) Program. A Phase I and California Environmental Policy Act (CEQA) environmental review process is required for some of the Division's other project activities such as City property acquisitions for future development of affordable housing.

The City annually awards environmental review contracts with one to two companies through a competitive Request for Proposal (RFP) process. This year, a contract was awarded to Krazan and Associates Inc., however, due to a high level of project activity, the contract amount needs to be increased beyond the city staff contracting threshold thus requiring Council approval. In accordance with the City's Administrative Order 3-1, (3) Services, (a) Consulting/Professional Services: The Housing and Community Development Division requests Council approval to amend the existing environmental consultant services agreement to increase the contract amount from \$30,000 to \$80,000.

Although the cost for a phase one, NEPA and CEQA environmental assessment remains relatively the same from previous years, the number of requests for environmental assessments has increased tremendously and is in direct proportion to the number of housing projects being proposed and reviewed by staff for possible development. Since the City utilizes, in part, HOME or other public funds for affordable housing, all projects whether developed or not, require environment assessments to be conducted.

Community Development Block Grant (CDBG) and HOME funds are used to fund the subject consultant agreement. If a conceptual project becomes a Council-approved HOME-funded project, then HOME funds are utilized. If a conceptual project does not come to fruition, then CDBG funds are utilized for the contract.

FISCAL IMPACT

HOME and CDBG funds for the proposed contract amendment are available in the Planning and Development Department's FY 2006-07 Budget.

APPENDICES

Exhibit A – Amendment I to Agreement

AMENDMENT NO. 1 TO AGREEMENT

THIS AMENDMENT NO. 1 TO AGREEMENT, is made and entered into effective January 23, 2007, by and between the CITY OF FRESNO, a municipal corporation (hereinafter referred to as "City"), and KRAZAN AND ASSOCIATES, INC., a California corporation, (hereinafter referred to as "Consultant".)

RECITALS

WHEREAS, the City and Consultant entered into an Agreement, dated December 31, 2006, (hereinafter referred to as the "Agreement"), for professional services in relation to on-demand environmental assessment/services for unspecified City development/housing projects as more particularly described therein, (hereinafter collectively the "Project"); and

WHEREAS, the parties desire to modify the Agreement to increase the not-to-exceed contract amount from \$30,000 to \$80,000, upon the terms and conditions herein.

NOW THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual promises herein contained, and for other good and valuable consideration hereby acknowledged, the parties agree as follows:

1. The not-to-exceed contract amount shall be \$80,000.
2. All capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.
3. In all other regards, the Agreement as amended by this Amendment No. 1 shall be and remain in full force and effect.

///

///

///

///

///

///

///

///

///

IN WITNESS WHEREOF, the Parties authorized agents have executed this Amendment No. 1 to Agreement at Fresno, California, the day and year first above written.

CITY OF FRESNO
a Municipal Corporation

KRAZAN AND ASSOCIATES, INC.
a California Corporation

By:

By:

Andrew T. Souza, City Manager

Arthur C. Farkas, Division Manager

Date: _____

Date: _____

ATTEST:
Rebecca E. Klisch
City Clerk

By:

Date: _____

APPROVED AS TO FORM:
James C. Sanchez

By:

_____ *JS*
Deputy

Date: 1-31-07

Addresses:

CITY:
City of Fresno
Attention: Michael Sigala,
Division Manager
2600 Fresno Street, Room 3076
Fresno, CA 93721
Phone: 559-621-8505
FAX: 559-457-1325

CONSULTANT:
Krazan & Associates, Inc.
Attention: Art Farkas,
Division Manager
215 W. Dakota Ave.
Clovis, CA 93612
Phone: 559-348-2200
FAX: 559-348-2201