



Honorable Mayor and Members of the Hermosa Beach City Council

APPROVAL OF THIRD AMENDMENT TO AGREEMENT WITH CSG CONSULTANTS, INC FOR ON-CALL STAFF AUGMENTATION SERVICES

DETERMINE THAT THE APPROVAL IS NOT A PROJECT UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) OR IN THE ALTERNATIVE, THAT THE APPROVAL IS EXEMPT UNDER CEQA

(Planning Manager Alexis Oropeza)

Recommended Action:

Staff recommend that the City Council:

1. Approve a third amendment to an agreement with CSG Consultants, Inc. for staff augmentation services to increase the not-to-exceed amount by \$114,990, resulting in a total not-to-exceed amount of \$352,166 for the remainder of the two-year term ending June 30, 2026 (**Attachment 1**); and
2. Authorize the City Manager to execute and the City Clerk to attest the attached third amendment subject to approval by the City Attorney.

Executive Summary:

At its January 14, 2025 meeting, the City Council approved the second amendment to an agreement with CSG Consultants, Inc., to increase the not-to-exceed limit to \$237,176.

Staff requests approval of a third amendment to increase the not-to-exceed limit by \$114,990, resulting in a total not-to-exceed amount of \$352,166 under the original two-year term ending June 30, 2026 (**Attachment 1**). The proposed third amendment would allow the department to maintain necessary levels of customer service, meet legal deadlines, and advance the zoning code update.

Background:

To effectively serve residents, businesses, and the development community, the City must maintain adequate staffing levels. Any staff vacancy in a small community development department significantly impacts the delivery of essential services. Staff augmentation agreements are crucial to quickly meet temporary staffing needs, thereby ensuring continuous operations.

On June 27, 2024, the City contracted CSG Consultants, Inc. with a not-to-exceed limit of \$30,000 and a term ending June 30, 2026, for immediate on-call staff augmentation services (**Attachment 2**).

At its August 13, 2024, meeting, the City Council approved the first amendment to increase the not-to-exceed compensation by \$85,000 resulting in a total not-to-exceed amount of \$115,000 (**Attachment 3**).

At its January 14, 2025, meeting, the City Council approved the second amendment to increase the not-to-exceed compensation by \$122,176 for a total not-to-exceed amount of \$237,176. (**Attachment 3**).

Past Council Actions

Meeting Date	Description
City Council August 13, 2024	City Council approved the first amendment to increase the not-to-exceed compensation by \$85,000 for a total not-to-exceed amount of \$115,000.
City Council January 14, 2025	City Council approved the second amendment to increase the not-to-exceed compensation by \$122,176 for a total not to exceed amount of \$237,176.

Discussion:

CSG Consultants has provided contract planning staff services since July 2024 to ensure continuity of plan check and project services during vacancies within Community Development Department. The Associate Planner billing rate is currently \$166 per hour at 32 hours per week (\$5,312 per week). The hourly rates increased 3.10 percent on July 1, 2025. In October 2024, in anticipation of the onboarding of the new permanent staff, the contract staffing was reduced to a single Associate Planner at 32 hours per week.

As the Department is now fully staffed, an additional allocation of funds is requested to advance the zoning code update. Going forward, the contract planner would work approximately 20 hours a week. Staff requests a total additional \$114,990 to continue qualified professional services. The increase would result in a total contract term of two years with a not-to-exceed limit of \$352,166.

Environmental Review:

Pursuant to CEQA Guidelines Section 15378, City Council action on this item is not subject to environmental review under the California Environmental Quality Act because it will not result in a direct or reasonably foreseeable indirect physical change in the environment, and falls within the “common sense” exemption set forth in CEQA Guidelines Section 15061(b)(3), excluding projects where “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.”

General Plan Consistency:

This report and associated recommendation have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

*Governance Element***Goal 1. A high degree of transparency and integrity in the decision-making process.**

Policy:

- **1.2: Strategic planning.** Regularly discuss and set priorities at the City Council and management level to prioritize work programs and staffing needs.

Fiscal Impact:

The agreement would have a total not-to-exceed amount of \$352,166. Funding to support the \$114,990 modified request amount was budgeted in the Community Development Planning Division FY 2025-26 Adopted budget for \$100,000. The remainder \$14,990 of the request amount would come from budgeted Prospective Expenditures in the FY 2025–26 budget.

Agreement Modification Request				
Agreement	Current Authorized Amount	Modified Request Amount	FY 2025-2026 Budget Dept. Account #	Total Revised Contract Amount
CSG Consultants, Inc.	\$142,306	\$8,994	001-4101-4201	\$151,300
	\$94,870	\$5,996	001-4201-4201	\$100,866
		\$100,000	001-4105-4201	\$100,000
Total	\$237,176	\$114,990		\$352,166

Attachments:

1. Proposed Third Amendment to Agreement with CSG, Inc.
2. Agreement with CSG Consultants, Inc.
3. First Amendment to Agreement with CSG Consultants, Inc.
4. Second Amendment to Agreement with CSG Consultants, Inc.

Respectfully Submitted by: Alexis Oropeza, Planning Manager

Concur: Alison Becker, AICP, Community Development Director

Noted for Fiscal Impact: Henry Chao, Finance Manager

Concur: Brandon Walker, Administrative Services Director

Legal Review: Todd Leishman, Interim City Attorney

Approved: Steve Napolitano, Interim City Manager