

County of Santa Clara
Department of Planning and Development



24-3354

DATE: February 6, 2024 (Item No. {{item.number}})

TO: Board of Supervisors

FROM: Jacqueline Onciano, Director, Planning and Development

SUBJECT: Ninth Amendment to Agreement with Metropolitan Planning Group

RECOMMENDED ACTION

Approve Ninth Amendment to Agreement with Metropolitan Planning Group DBA M-Group relating to providing planning project management services to complete its work processing the land use entitlement applications for the Z-Best Composting Facility, with no change to the maximum contract amount, and extending the Agreement for a 10-month period through December 31, 2024, that has been reviewed and approved by County Counsel as to form and legality. An exception to Board of Supervisors Policy 5.4.5.4, Length of Term of Contracts, has been approved by the Office of Countywide Contracting Management. (LA-1)

FISCAL IMPLICATIONS

There will be no net impact to the General Fund by approving this recommended action.

CONTRACT HISTORY

On February 8, 2019, following an Informal Competitive Procurement (ICP) pursuant to Board of Supervisors (Board) Policy Section 5.6.5.1(C)(2), the Procurement Department (Procurement) approved an agreement with Metropolitan Planning Group, Inc. (M-Group) for planning project management services to process the land use entitlement applications for the Z-Best Composting Facility, Patel RV Park, and DiVittorio RV Park, in the amount of \$143,130 for the period February 8, 2019 through June 30, 2020.

On March 1, 2019, Procurement approved the First Amendment to the Agreement, increasing the maximum contract amount by \$32,400, which expanded M-Group's scope of work to include an additional land use entitlement application for the Gilroy Rodeo Project, which was completed in Fiscal Year (FY) 2020.

On June 3, 2020, Procurement approved the Second Amendment to the Agreement, extending the term for a 12-month period through June 30, 2021, due to various unanticipated project delays for the Z-Best Composting Facility, Patel RV Park, and DiVittorio RV Park projects, with no change to the maximum contract amount.

On September 2, 2020, Procurement approved the Third Amendment to the Agreement,

increasing the maximum contract amount by \$51,830 to cover additional tasks required for the Z-Best Composting Facility and Patel RV Park projects, including the preparation of staff reports, attendance at Planning Commission hearings, additional meetings with the applicant team and County staff, and extra reviews of environmental documents.

On June 3, 2021, Procurement approved the Fourth Amendment to the Agreement, extending the term for a 16-month period through October 31, 2022, due to additional project delays for the Z-Best Composting Facility, with no change to the maximum contract amount.

The County no longer required M-Group's services for the Patel RV Park and Divittorio RV Park Projects as of FY 2022; therefore, the Z-Best Composting Facility remained the only active project covered under the Agreement following the approval of the Fifth Amendment as described below.

On March 29, 2022, Procurement approved the Fifth Amendment to the Agreement, increasing the maximum contract amount by \$99,060 and extending the contract term through April 30, 2023. On April 13, 2023, however, upon preparing the Sixth Amendment to increase the maximum contract amount by an additional \$34,025 and to extend the term through December 31, 2023, it was determined that the request to increase the project budget in the Fifth Amendment was subject to Board approval under Board Policy 5.6.5.1(C)(2) because it resulted in the contract amount exceeding \$300,000 within a five-year period.

On April 27, 2023, Procurement approved the Sixth Amendment to the Agreement, extending the term for an eight-month period through December 31, 2023, with no change to the maximum contract amount.

On June 6, 2023, the Board ratified the Fifth and Sixth Amendments. The Board simultaneously approved the Seventh Amendment, which further increased the maximum contract amount by \$34,025 from \$326,420 to \$360,445.

On December 27, 2023, Procurement approved the Eighth Amendment to the Agreement, extending the term through its fifth-year maximum term of February 8, 2024 to allow the Department of Planning and Development (Department) to continue services with M-Group in preparation of bringing the Environmental Impact Report (EIR) to the Planning Commission in calendar year 2024 and to provide the Department time to submit a request for a Beyond Five-Year contract term approval.

On January 22, 2024, the Office of Countywide Contracting Management approved an exception to Board Policy 5.4.5.4, Length of Term of Contracts. Amendment Nine requested in this Recommended Action requires Board approval to extend the term beyond its five-year maximum length of term, pursuant to Board Policy 5.6.5.1(C)(2).

REASONS FOR RECOMMENDATION AND BACKGROUND

The Department intends to present the Z-Best Project at the Planning Commission in

calendar year 2024. Depending on the outcome of the Planning Commission and appeals process, the Department may be required to submit the project to the Board for consideration. Therefore, the Department requests the Board's approval of the Recommended Action to extend the term of the agreement through December 31, 2024. M-Group has served and will continue to serve a critical role in managing the preparation of the EIR and the completion of the project.

Evolution of the Z-Best Composting Facility Project

Zanker Road Resource Management Ltd. filed Use Permit and Architectural Site Approval, and Grading Approval applications with Santa Clara County to allow modifications to the Z-Best Composting Facility on Highway 25 in response to State law waste diversion requirements (AB939, AB1826, SB1383). The proposed modifications would increase the processing capacity of the facility through upgrades and changes to the existing municipal solid waste composting process which will involve changes to both the operation and site design. In February 2019, M-Group was selected to assist with project management for the Z-Best Composting Facility.

In June 2018, the County contracted with an environmental consultant to prepare a Draft Environmental Impact Report (DEIR) for the Z-Best Composting Facility Project. In February 2019, M-Group became the primary consultant providing planning project management services for the project and oversight of the California Environmental Quality Act (CEQA) process. The DEIR for the project was circulated for public review and comment from January 15, 2021, through March 1, 2021. Based on public comments, the Department determined that sections of the DEIR needed to be revised.

The Department contracted with a different environmental consultant to address comments received and revise aspects of the DEIR for recirculation and to prepare the FEIR. However, during the intervening period, several changes to the project were proposed by the Applicant which required additional revisions to the DEIR. Due to substantial changes to the project analysis and the additional technical assessments along with additional input from State Responsible Agencies, the Department determined that more extensive changes needed to be made to the DEIR before it could be recirculated.

In order to provide adequate analysis of the project's environmental impacts and sufficient evidence to support the conclusions in the DEIR and findings required to be made by the County, new and revised technical reports and significant additional analyses beyond what was initially anticipated, were required. The Recirculated DEIR was circulated for public comment on April 20, 2023, ending on June 5, 2023. Since the Final EIR responds to comments on the Recirculated DEIR, work on the FEIR could not begin until after the June 5, 2023, close of the Recirculated DEIR comment period.

The Patel RV Park application was withdrawn, and the DiVittorio RV Park application is inactive due to pending litigation.

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

CONSEQUENCES OF NEGATIVE ACTION

If the recommended action is not approved, the Department will not have the resources to effectively manage the project, resulting in delays in processing the applications.

STEPS FOLLOWING APPROVAL

The Office of the Clerk of the Board is requested to notify Robert Salisbury, Valerie Negrete, and Darienne Marcelo in the Department of Planning and Development.

ATTACHMENTS:

- PLN-B5Y-MGroup ZBest – Approved 1.22.2024