



## Staff Report

**TO:** City Council  
**FROM:** Robert Vestal, Public Works Director  
**DATE:** August 19, 2025  
**SUBJECT:** Second Amendment to the Professional Services Agreement with Mark Thomas (Contract No. C23-139)

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**Description:** Approve the Second Amendment to the Professional Services Agreement (PSA) with Mark Thomas CIP 2016-003 Potrero Interchange, Phase II.

### **Background and Analysis:**

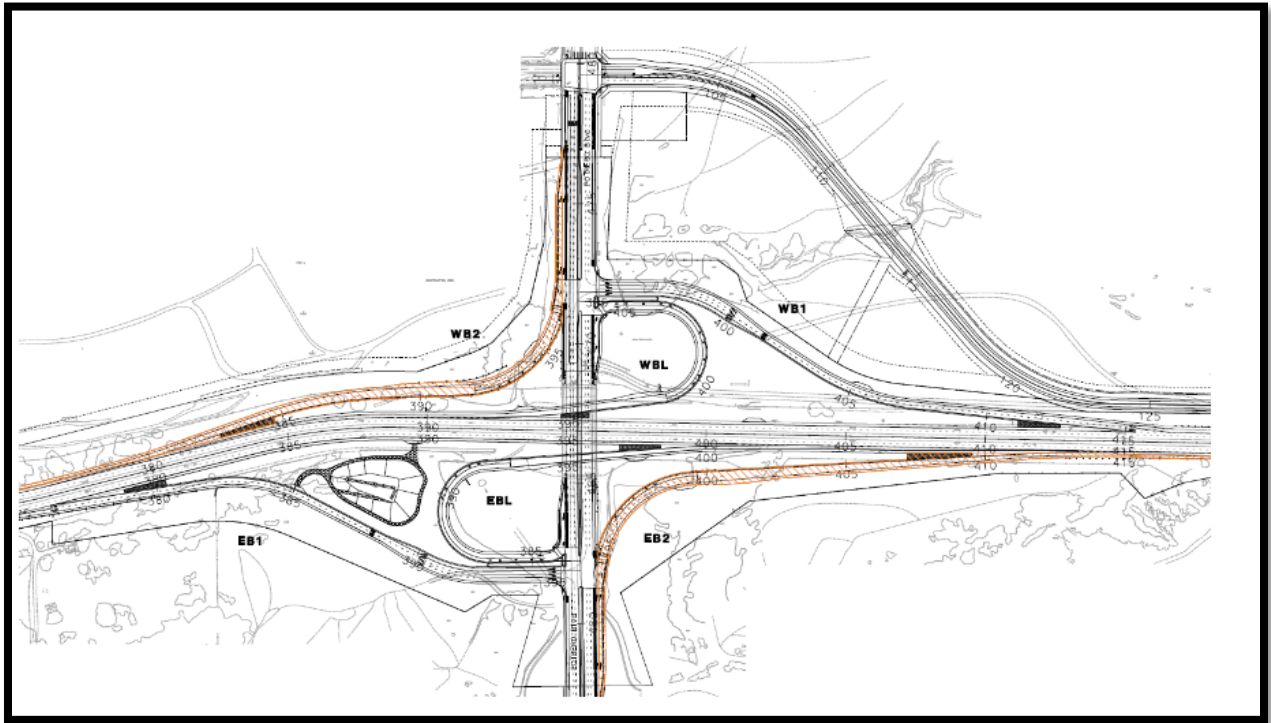
In 2010, City consultants began working on the design for Potrero Interchange (Project). The project was divided into two phases. Mark Thomas was a subconsultant and performed the design.

In 2015, Mark Thomas completed 99% of the design for Phase I and 65% of the design for Phase II. The total project expenditures up to this date exceed \$11M.

On August 16, 2016, City Council approved a PSA for Mark Thomas to finish the Phase I design. Two amendments were subsequently approved for a total contract amount of \$442,300. Potrero Interchange, Phase I construction was completed in 2020.

On March 20, 2018, City Council approved a Transportation Uniform Mitigation Fee (TUMF) Improvement and Credit Agreement with Pardee Homes to prepare plans, specifications, and estimates (PS&E) for Phase II. The credit was estimated at \$1,694,743. Subsequent to the agreement, Pardee Homes contracted directly with Mark Thomas to prepare the PS&Es for Phase II. Phase II was developed to the 95% level.

On September 7, 2021, City Council approved a PSA with Mark Thomas for a revised traffic analysis. Phase II consisted of a six ramp, partial clover leaf interchange. The six ramp interchange would consist of 4 on-ramps and 2 off-ramps. The additional analysis determined that the elimination of the direct east bound and west bound on-ramps could yield significant cost savings (approximately \$7M in 2020) and still remain fully functional with minor modifications. Additionally, a 15-year projection demonstrated that the interchange would still operate within an appropriate level of service. Refer to Figure 1 for Project layout.



*Figure 1 - Phase II Layout (Orange on-ramps are removed)*

On June 29, 2023, The Project was adopted into the Trade Corridor Enhancement Program (TCEP), reserving \$33,500,000 funding for Phase II. The TCEP grant had strict requirements to obligate the funds prior to June 30, 2025. At that time, The TUMF Credit agreement with Pardee Homes and subsequent contract with Mark Thomas did not include several of the studies, reports, and documents needed for a project to be Read-to-List (RTL).

On December 19, 2023, City Council approved a PSA to Mark Thomas to finish the Project Phase II Plans and studies for a contract amount of \$2,724,388. City Council also authorized the City Manager to approve contract changes up to an additional \$408,658 (15%) to allow quick responses to Caltrans' challenges.

On October 18, 2024, the City Manager authorized additional work to complete the PS&E in the amount of \$408,271, for a total compensation of \$3,132,659.

On June 26, 2025, the CTC formally obligated the \$33,500,000 for the Potrero Interchange Phase II, enabling the City to move forward to the construction phase.

In order to be eligible for CTC obligation, Caltrans allowed several tasks to be performed after the obligation but prior to construction. The tasks were not anticipated

by RCTC, Mark Thomas, or the City. The additional changes required by Caltrans include:

- Late changes to the right of way requirements and utility policy encroachment exception
- Additional PS&E review and coordination
- Multiple revisions to the NEPA/CEQA Revalidation #3
- Replacement of the San Timoteo Creek Bridge Rail
- Plan revisions required for the San Timoteo Creek bridge rail replacement
- Additional need for Environmental Revalidation #4 to include design, avoidance and minimization measures for the San Timoteo Creek bridge rail replacement
- Coordination and meetings to determine the need for a noise study
- Traffic counts and analysis required for the noise study
- Coordination and meetings to determine the need for Air Quality Conformity Analysis
- Air Quality Conformity Analysis preparation and coordination with Caltrans and FHWA
- Added Bridge Mounted Sign
- Additional need for Revalidation #5 to include results from the noise study

Subsequently, City staff is recommending that Council approve the second amendment to Mark Thomas' contract to allow for the timely completion of the additional tasks.

**Fiscal Impact:**

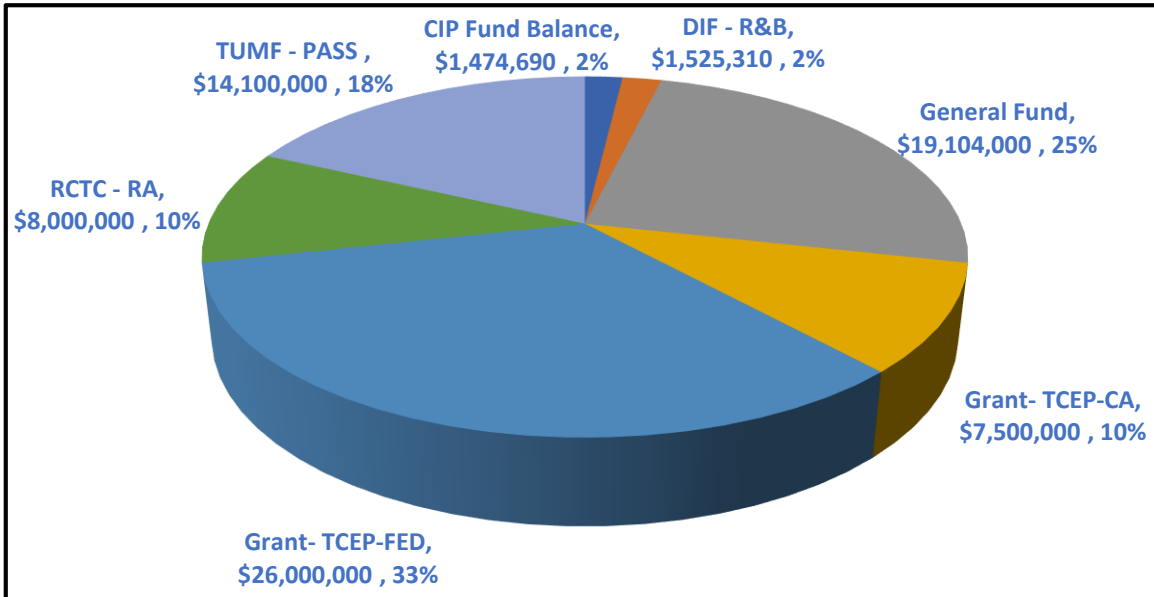
The cost to prepare this staff report is estimated to be \$750.

Mark Thomas' total fee associated with the Project Phase II is \$3,787,706 and will be paid from CIP 2016-003 Potrero Phase II project.

The project does not include budget changes discussed in the FY26 CIP Amendment No. 1. As shown, the project budget is insufficient to cover the cost of the amended contract. If the CIP amendment is not approved, City staff will be required to return with a future item to discuss funding options. There is no immediate risk since the project is encumbered with the full construction amount. Construction is not expected to draw down the budget for several years.

The following is an accounting summary table for the Project Phase II:

**CIP 2016-003 Potrero Phase II Project Funding Summary**  
**Estimated Project Cost= \$80,106,257**



**CIP 2016-003 Potrero Phase II Project Budget Summary**

Project Component	Budget	Encumbered	Paid to Date	Remaining Budget
Project Management		\$(43)	\$(43)	\$(43)
Preliminary Services		\$(10,048)	\$(10,048)	\$(10,048)
Environmental	\$354,211	\$(208,797)	\$(179,410)	\$145,414
Design	\$3,933,046	\$(3,245,390)	\$(2,815,606)	\$687,656
Permits				
Right-of-Way	\$7,706,000	\$(7,859,153)	\$(232,248)	\$(153,153)
Construction	\$58,000,000	\$(68,113,000)		\$(10,113,000)
Construction Management	\$10,113,000			\$10,113,000
Equipment				
<b>Total</b>	<b>\$80,106,257</b>	<b>\$(79,436,431)</b>	<b>\$(3,237,355)</b>	<b>\$669,826</b>

**Recommended Action:**

Approve the Second Amendment to the Professional Services Agreement for Mark Thomas in an amount not to exceed \$3,787,706 for the Potrero Interchange, Phase II (CIP 2016-003).

Approve a purchase change order to Purchase Order No. 23/24 1779 with Mark Thomas for the Potrero Interchange Project (CIP 2016-003) increasing the not-to-exceed amount by \$655,045 for a revised total amount not-to-exceed \$3,787,706.

**Attachments:**

- A. PSA with Mark Thomas
- B. Amendment 1
- C. Amendment 2
- D. Levine Act Statement