



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Erik L. Soliván

**SUBJECT:** See Below

**DATE:** April 20, 2026

Approved

Date:

4/28/26

**COUNCIL DISTRICT:** Citywide

**SUBJECT: First Amendment to the Master Consultant Agreement with Kitchell/CEM, Inc. for Consulting Services**

## **RECOMMENDATION**

Adopt a resolution authorizing the Housing Director, or his designee, to negotiate and execute a First Amendment to the Master Consultant Agreement with Kitchell/CEM, Inc., to increase the compensation by \$700,000, for a total maximum compensation not to exceed \$1,000,000, for owner's representative and construction management services for the City's housing development projects, for the term ending June 30, 2027.

## **SUMMARY AND OUTCOME**

The proposed contract amendment will allow Kitchell/CEM, Inc. to continue supporting the City's portfolio of housing development projects. The increase in maximum compensation reflects the expanded scope of work required across multiple concurrent projects. Kitchell/CEM, Inc. has the technical capacity and subject-matter expertise to effectively complete the work requested.

## **BACKGROUND**

The City's Housing Department oversees a portfolio of below market rate housing development projects that require specialized construction management and technical oversight expertise. To meet these needs, the Housing Department has engaged Kitchell/CEM, Inc. and its subconsultants on an as-needed basis to provide facility condition assessments, owner's representative services, and construction management oversight.

## **ANALYSIS**

The Housing Department's growing housing portfolio has exceeded the capacity of the original contract. The proposed amendment will increase the maximum contract value by \$700,000, from \$300,000 to \$1,000,000, to support additional projects through the contract term ending June 30, 2027. Kitchell/CEM, Inc. was selected through a competitive procurement process and has demonstrated the ability to deliver the required services. Procuring a new consultant would require a new competitive selection process and result in a loss of continuity, making the contract increase the most efficient and cost-effective approach.

## **EVALUATION AND FOLLOW-UP**

No additional follow-up action with the City Council is expected at this time.

## **FISCAL IMPACTS**

The \$700,000 contract increase will be funded through the Housing Department's existing Housing Predevelopment Activity appropriation in Fund 346. Costs will be incurred on an as-needed basis through individual service orders, with no additional maintenance costs, matching grant requirements, or associated revenues. The contract runs through June 30, 2027.

## **COORDINATION**

This memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

## **PUBLIC OUTREACH**

This memorandum will be posted on the City Council Agenda website for the May 12, 2026 City Council meeting.

## **BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT**

No board, commission, or committee recommendation or input is associated with this action.

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## **CEQA**

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

## **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

*/s/*

Erik L. Soliván

Director, Housing Department

For questions, please contact Banu San, Deputy Director, Housing Department, at [Banu.San@sanjoseca.gov](mailto:Banu.San@sanjoseca.gov).