



**DATE:** February 9, 2021

**CATEGORY:** Consent

**DEPT.:** Community Development

**TITLE:** **Amendment to Contracts for Outside Plan Checking, Inspection, and Administrative Services**

### **RECOMMENDATION**

1. Increase appropriations in the amount of \$2,100,000 in the Community Development Department, Development Services Fund, for building and fire plan checking and inspection services. (Five votes required)
2. Authorize the City Manager to execute amendments to increase consultant contracts for outside building and fire plan checking and inspection services with: CSG Consultants, Inc., from \$200,000 to \$400,000; and Shums Coda Associates, Inc., from \$850,000 to \$2,750,000, for services rendered July 1, 2020 through June 30, 2021, for a total increase of \$2,100,000.

### **BACKGROUND**

Over the past 28 years, the Building Inspection Division has used consulting firms to provide structural, Fire, and Building Code services. Contracting with these professional firms allows the Building Inspection Division the flexibility to respond and manage the development workload as it fluctuates. Consultants have been necessary to maintain quick turnaround times for building and fire plan checking and inspection services, thus maintaining a customer service level that is expected by the City's businesses and developers and meeting permit processing timeline requirements under State law.

On June 23, 2020, Council authorized outside building inspection and fire plan checking, inspection, digital imaging, planning, and support contract services for Fiscal Year 2020-21 with the following companies and amounts totaling \$1,595,000:

BMI Imaging, Inc. – Digital Imaging Services	\$ 120,000
CSG Consultants, Inc. – Building Services	200,000
Fire & Risk Alliance, LLC (FRA) – Fire Services	150,000
O’Brien Code Consulting, Inc. (OCC) – Building Services	150,000
Shums Coda Associates, Inc. (SCA) – Building and Fire Services	850,000
Telecommunications Engineering Associates (TEA) – Fire Services	<u>125,000</u>
 TOTAL	 <u>\$1,595,000</u>

This total includes \$250,000 for planning and support services with Shums Coda Associates, Inc., for the Planning Division. The average annual total expense for contract plan check and inspection services has been approximately \$4,000,000 per year over the past three fiscal years. The amount budgeted has been reduced in recent fiscal years as positions have been added for Fiscal Years 2019-20 and 2020-21. In addition, the City’s practice is to be conservative during the budget adoption process and request appropriations if needed, dependent on the level of development activity during the course of the fiscal year.

**ANALYSIS**

The level of development activity is approximately as budgeted with the exception of Plan Check revenue, which is under budget. While the total volume of projects has decreased, projects continue to get more complex, requiring multiple levels of review and coordination. Some of the projects requiring plan check and inspection services include: 1001 North Shoreline Boulevard (Sares-Regis), Landings Drive (Google), 369 and 399 North Whisman Road (Google), 1255 Pear Avenue (Sobrato), 759 West Middlefield Road (Prometheus), 1265 Montecito Avenue (Charities Housing), 2645 Fayette Drive (Octane Fayette, LLC), 355-415 East Middlefield Road (Shea Homes), and 1313 West El Camino Real (Moinee of @ Home, LLC).

Development continues to produce multi-use complexes for commercial and housing units, despite the COVID-19 pandemic. Staff evaluated the current contracts and the

anticipated workload for building and fire inspections prior to the end of the fiscal year and recommends the following increases to what was previously approved as follows.

CSG Consultants, Inc. – Building Services	\$ 200,000
Shums Coda Associates, Inc. (SCA) – Building and Fire Services	<u>1,900,000</u>
Total Proposed Increase	<u>\$2,100,000</u>
Authorized Contract Services Fiscal Year 2020-21 (previously approved)	<u>1,595,000</u>
TOTAL	<u>\$3,695,000</u>

With these increases, the maximum authority for expenditures for these contract services would be \$3,695,000, which remains below the annual average of \$4,000,000. The term of these contracts is within the current fiscal year through June 30, 2021, with a 30-day notice prior to termination.

### **FISCAL IMPACT**

The \$1,595,000 previously authorized for contracts services includes \$1,345,000 for building and fire plan checking and inspection services and \$250,000 for planning services. Building Inspection Division-authorized contract services of \$1,345,000 does not include \$85,000 used for David Chen (for Information Technology (IT) services). The Fiscal Year 2020-21 Adopted Budget for the Building Inspection Division of \$1,510,000, less previously authorized contract services \$1,345,000 and \$85,000 for David Chen (IT services), leaves a balance of \$80,000 for additional IT contract service expenditures.

Building Services are budgeted separately and are fully cost-recovered from plan checking and permit fees. Additional appropriations of \$2,100,000 are requested to increase contract services, which will be funded primarily from Development Services Fund balances collected in prior years. Any unspent funds will remain in the Development Services Fund for future needs.

### **ALTERNATIVES**

1. Do not approve contract amounts. If not approved, staff would be unable to meet the City Manager-approved plan check turnaround times for development projects.
2. Provide other direction to staff.

**PUBLIC NOTICING** – Agenda posting.

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Attachment: 1. Council Report – June 23, 2020