



DATE: December 11, 2018

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 \$2,940,000 in the Community Development Department, Development Services Fund, for building and fire plan checking, inspection, and administrative services. (Five votes required)
2. Authorize the City Manager to execute amendments to increase consultant contracts for outside building and fire plan checking, inspection, administrative, and digital imaging services with: CSG Consultants, Inc., from \$200,000 to \$500,000; ESH Consultants from \$125,000 to \$300,000; Fire & Risk Alliance, LLC, from \$125,000 to \$300,000; O'Brien Code Consulting, Inc., from \$150,000 to \$250,000; Shums Coda Associates, Inc., from \$750,000 to \$3,000,000, for services rendered July 1, 2018 through June 30, 2019, for a total increase of \$3,000,000.

BACKGROUND

Over the past 28 years, the Building Inspection Division has outsourced its structural, Fire, and Building Code services to consulting firms. 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, maintaining a customer service level that is expected by the City's businesses and developers, and is required under State law.

On June 26, 2018, Council authorized building inspection and fire plan checking, and inspection contract services for Fiscal Year 2018-19 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
ESH Consultants – Fire Services	125,000
Fire & Risk Alliance, LLC (FRA) – Fire Services	125,000
O’Brien Code Consulting, Inc. (OCC) – Building Services	150,000
Shums Coda Associates, Inc. (SCA) – Building and Fire Services	750,000
Telecommunications Engineering Assoc. (TEA) – Fire Services	<u>125,000</u>
 TOTAL	 <u>\$1,595,000</u>

The City’s practice is to be conservative when initially appropriating funds and entering into these contracts and subsequently make adjustments during the course of the fiscal year, as needed, depending on the level of development activity.

ANALYSIS

Development activity continues to be high. The Building Inspection Division continues to manage, plan check, inspect, and document numerous commercial and residential projects in the City.

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: CSG Consultants, Inc., from \$200,000 to \$500,000; ESH Consultants from \$125,000 to \$300,000; Fire & Risk Alliance, LLC, from \$125,000 to \$300,000; O’Brien Code Consulting, Inc., from \$150,000 to \$250,000; and Shums Coda Associates, Inc., from \$750,000 to \$3 million. These contract adjustments are being submitted to the City Council for approval as they exceed the \$100,000 contract limit established by the City Council.

The term of these contracts is within the fiscal year that runs from July 1, 2018 through June 30, 2019 with a 30-day notice prior to termination. The requested amounts are similar to last year’s contract amounts due to the increased volume of large projects, 2565 California Street (Greystar), a 600-unit mixed-use complex, Hope Street Lots (Robert Green), 1255 Pear Avenue (Sobrato), 700 East Middlefield Road (LinkedIn Campus), Charleston East (Google), 1045 La Avenida (Microsoft), 525 East Evelyn

Avenue (Prometheus), 400 San Antonio Road (Prometheus), 500 Ferguson Drive (EFL), etc.

These are estimated contract amounts. Staff may need to return to the City Council to request another amendment/increase to these contracts if development activity increases during the remainder of the fiscal year. Should any funds remain at the end of the fiscal year, they will be returned to the Development Services Fund.

In addition to the plan check and inspection service provided by Shums Coda Associates, Inc., the City has also entered into an agreement with Shums Coda Associates, Inc., to provide project management and strategic consultation while the Community Development Department Director recruitment is in process. These services are charged to the General Operating Fund under a separate agreement.

FISCAL IMPACT

Of the \$1,735,000 included in the Fiscal Year 2018-19 Adopted Budget for building and fire plan checking and inspection contract services, \$1,595,000 has been used for contract services previously approved by Council on June 26, 2018, and another \$80,000 used for David Chen (IT Services), leaving a balance of \$60,000 for additional contract services. Additional appropriations of \$2,940,000 are requested for the \$3,000,000 increase in contract services which will be funded by increased revenues.

Building Services are budgeted separately and are fully cost-recovered from plan checking and permit fees paid for by the developer. There is sufficient balance available to fund the requested \$2,940,000, which would be recovered by developer fees and returned to the Development Services Fund.

ALTERNATIVES

1. Do not approve contract amounts.
2. Provide other direction to staff.

PUBLIC NOTICING – Agenda posting.

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NB-SW/2/CAM
806-12-11-18CR-1

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Attachment: 1. Council Report – June 26, 2018