



COUNCIL REPORT

DATE: December 5, 2023

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Construction Engineering Services—
Professional Services Agreement**

RECOMMENDATION

1. Appropriate \$75,000 from the Development Services Fund for the Public Works Department for consultant support services. (Five votes required)
2. Authorize the City Manager or designee to amend the Fiscal Year 2023-24 professional services agreement with Tanner Pacific, Inc., for an additional \$315,000 to provide construction engineering services in a not-to-exceed contract amount of \$715,000.

BACKGROUND AND ANALYSIS

In recent years, to keep pace with development and construction activity, the Public Works Department has contracted with outside engineering firms for land development-related plan checking and construction engineering and inspection services. Contracting for outside services allows the flexibility to manage the development and construction workload as it fluctuates. Consultants have been necessary to maintain standard turnaround times for plan check and inspection services, which satisfies the customer service level that is expected by the City's businesses and developers and meets requirements under State law.

The City entered into an agreement with Tanner Pacific, Inc. (Tanner Pacific), in August 2023 in the amount of \$100,000 to provide construction management and inspection services for development projects for Fiscal Year 2023-24. On [September 26, 2023](#), Council approved a \$300,000 contract increase for a total not-to-exceed amount of \$400,000.

Construction Engineering recently filled one vacancy and has one vacancy remaining out of nine positions. Staff is working to fill this vacancy as quickly as possible. The vacancies and the continued high construction activity have created challenges in keeping up with construction management and inspection of development projects, causing a need to utilize Tanner Pacific services more extensively. It is anticipated that the current agreement funding of \$400,000 will be expended by the end of December 2023.

Based on the anticipated development and construction workload and the potential timelines for filling the vacancy, staff has determined that assistance from Tanner Pacific will continue to be required after December 2023. Staff recommends increasing the Tanner Pacific contract by \$315,000 for additional construction engineering services for a total not-to-exceed amount of \$715,000. The recommended increase will allow the Public Works Construction Engineering Section to maintain a high quality of development reviews and inspections in the time frames required as the construction workload continues at a high level.

FISCAL IMPACT

The Fiscal Year 2023-24 Adopted Budget allocated limited-period funding of \$400,000 from the Development Services Fund (DSF) for consultant support in the Construction Engineering Section. This \$400,000 has been encumbered for engineering services under the Fiscal Year 2023-24 Tanner Pacific Agreement.

The Adopted Budget also included limited-period funding of \$400,000 from the DSF for consultant support in the Land Development Engineering Section to be used for plan checking services during building permit reviews. Staff reviewed the projected needs for plan checking services and determined that \$240,000 of Land Development's limited-period funding could be available. Because the Land Development and Construction Engineering Sections are within the same fund and department, no City Council budget action is required to use the \$240,000 in limited-period funding for Construction Engineering consultant support.

An additional \$75,000 is needed for the \$315,000 contract amendment requested. Staff has identified other Public Works agreements using DSF with remaining balances that are no longer needed. These agreements are being closed, and the remaining balances, which exceed \$75,000, are being returned to the DSF. Council action is required to reappropriate \$75,000 of these funds for consultant services. If the recommended actions are approved, an additional \$315,000 will be added to the Tanner Pacific agreement for a total not-to-exceed amount of \$715,000.

ALTERNATIVES

1. Do not approve the appropriation of \$75,000, add \$240,000 from already appropriated funds to the Tanner Pacific agreement for a total not-to-exceed amount of \$640,000, and direct staff to return to Council for additional appropriations and agreement amendments should it be needed in spring 2024.
2. Do not approve the contract amendment to add funding to the Tanner Pacific agreement and allow for extended delays in providing construction engineering and inspections for development projects' off-site improvements in the right-of-way.
3. Provide other direction.

PUBLIC NOTICING—Agenda posting.

Prepared by:

Ashraf Shah
Principal Civil Engineer

Reviewed by:

Edward Arango
Assistant Public Works Director/
City Engineer

Approved by:

Dawn S. Cameron
Public Works Director

Audrey Seymour Ramberg
Assistant City Manager

AS/LL/1/CAM
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cc: APWD—Arango, PCE—Shah, SMA—Goedicke, SMA—Doan, PA—Li