



DATE: December 9, 2014

CATEGORY: Consent

DEPT.: Community Development

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

RECOMMENDATION

1. Increase appropriations \$740,000 in the Community Development Department, Development Services Fund, for building inspection and fire plan checking and inspection contract 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 Shums Coda Associates from \$650,000 to \$1.8 million; ESH Consultants from \$90,000 to \$170,000; and Hughes & Associates from \$125,000 to \$295,000 for July 1, 2014 through June 30, 2015, for a total increase of \$1.4 million.

BACKGROUND

Over the past 16 years, the Building Inspection Division has outsourced its structural, Fire, and Building Code services to consulting firms. Contracting with 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 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 24, 2014, Council authorized building inspection and fire plan checking and inspection contract services for Fiscal Year 2014-15 with the following companies for the following amounts totaling \$1.45 million:

Shums Coda Associates (SCA) – Building and Fire Services	\$ 650,000
CSG Consultants, Inc. – Building Services	150,000
Hughes & Associates, Inc. – Fire Services	125,000
O’Brien Code Consultants – Building Services	400,000
AON Fire Protection Engineering Corp. – Fire Services	<u>125,000</u>
Total	<u>\$1,450,000</u>

ANALYSIS

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

Staff evaluated the current contracts, including the projected workload for the remainder of this fiscal year, and is anticipating the need to increase the SCA contract by \$1.15 million for a new total of \$1.8 million; the ESH contract by \$80,000 for a new total of \$170,000; and Hughes & Associates by \$170,000 for a new total of \$295,000. 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. Building services are fully cost recovered from plan checking and permit fees paid by developers.

The term of these contracts is within the fiscal year that runs from July 1, 2014 through June 30, 2015 with a 30-day notice prior to termination. The amount encumbered for consultant contracts is in line with last year’s contract amounts.

The Building Inspection Division currently has two vacancies – Chief Building Official and Senior Building Inspector. These vacant positions are currently being filled by contract personnel.

FISCAL IMPACT

Of the \$2.0 million included in the Fiscal Year 2014-15 Adopted Budget for building inspection and fire plan checking and inspection contract services, \$1.45 million has been used for contract services previously approved by Council on June 24, 2014. After these initial contracts were established, an additional fire contract was created in August 2014 with ESH Consultants in the amount of \$90,000. Staff is proposing to increase the contract amounts for SCA, ESH Consultants, and Hughes & Associates an additional \$1.4 million. This is offset by \$200,000 in salary savings, for a net new appropriation of \$740,000. The calculation for the additional appropriations requested is as follows:

Fiscal Year 2014-15 Adopted Budget	\$2,000,000
Contracts Approved by Council	(1,450,000)
ESH Consultants	<u>(90,000)</u>
Balance Available	460,000
Contract Increases Requested	<u>(1,400,000)</u>
Difference	940,000
Budget Savings Available	<u>(200,000)</u>
Additional Appropriations Requested	<u>\$ 740,000</u>

Building services are budgeted separately and are fully cost recovered from plan checking and permit fees paid for by the developer. There is a sufficient balance available to fund the requested \$740,000, which would be recovered by developer fees.

ALTERNATIVES

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

PUBLIC NOTICING – Agenda posting.

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SW/3/CAM
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