



DATE: December 10, 2019

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Public Works Engineering Division
Consultant Contracts Funding**

RECOMMENDATION

1. Rescind the following two City Council actions taken on November 5, 2019, Item 4.5 (Five votes required):
 - a. Transfer and appropriate \$750,000 from the Development Services Fund to the General Operating Fund, Public Works Department.
 - b. Transfer and appropriate \$750,000 from the Construction/Conveyance Tax Fund to the General Operating Fund, Public Works Department.
2. Approve the following actions:
 - a. Appropriate \$750,000 in the Public Works Department, Development Services Fund. (Five votes required)
 - b. Transfer and appropriate \$750,000 from the General Fund Reserve to the General Operating Fund, Public Works Department. (Five votes required)

BACKGROUND

On November 5, 2019, the City Council approved Agenda Item 4.5, authorizing the City Manager to amend professional services agreements with CGS Consultants, Tanner Pacific, Inc., and TRC Companies for a total of \$1.5 million in additional funding. These engineering firms help staff manage fluctuating workloads and keep pace with increasing development and construction activity by providing land development-related plan check services and construction engineering (construction management and inspection). Use of consultants has been necessary to maintain standard, and legally required, turnaround times for plan check services and provide a customer service level that is expected by the City's businesses and developers.

Included in the Council report approved by the City Council was funding for these additional consultant services. The recommendations in this Council report correct the funding allocations to be used for the additional services.

ANALYSIS

On November 5, 2019, staff misstated the funding requests related to the requested contract amendments. Contract increases related to Land Development are funded from development fees collected and, therefore, are funded directly from the Development Services Fund. It is not necessary to transfer \$750,000 in funding from the Development Services Fund to the General Operating Fund; however, the funding must still be appropriated in the Development Services Fund.

Contract increases related to Construction Engineering are used to provide staffing flexibility for inspections or other work related to capital projects. The \$750,000 for Construction Engineering services is recommended to be appropriated in the General Operating Fund from the General Fund Reserve, which is the appropriate source of funding for the staffing support to be provided.

Staff requests that Council rescind the November 5 approvals related to the appropriations and fund transfers and approve two replacement actions. This will allow the requested consultant contracts to be amended and funded through September 2020.

FISCAL IMPACT

Land Development Engineering

The Fiscal Year 2019-20 Adopted Budget includes limited-period funding of \$450,000 for consultant support in the Land Development Section, Development Services Fund, and all funds have been encumbered. An additional \$750,000 is needed, and staff recommends increased appropriations in the Development Services Fund, Public Works Land Development Engineering Section (Account No. 223600).

Construction Engineering

The Fiscal Year 2019-20 Adopted Budget includes limited-period funding of \$400,000 for consultant support in the Construction Engineering Section, Development Services Fund, and all funds have been encumbered. An additional \$750,000 is needed, and staff recommends a fund transfer from the General Fund Reserve and increased

appropriations in the General Operating Fund, Public Works Construction Engineering Section (Account No. 223073).

ALTERNATIVES

1. Do not change the Council's November 5, 2019 approved actions.
2. Modify the new recommended appropriations.
3. Provide other direction to staff.

PUBLIC NOTICING – Agenda posting.

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cc: APWD – Hosfeldt, ACM – Fuller, SMA – Goedicke, PA – Li, SMA – Boram, AFASD, SMA – Doan, PCE – Au, PCE – Arango, PCE(A) – Byrer, SPWI, AE – Safi, SCE – Chekmareva, SCE – Ballard, SCE – MacPhee