



COUNCIL REPORT

DATE: January 24, 2023

CATEGORY: Consent

DEPT.: Community Development

TITLE: **Contract Amendment for Outside Building Plan Checking and Inspection Services**

RECOMMENDATION

1. Appropriate \$2,495,000 from the Development Services Fund for building plan checking, inspection, consultant, and professional services. (Five votes required)
2. Authorize the City Manager or designee to execute an amendment to the professional services agreement with Shums Coda Associates for building plan checking and inspection services to increase maximum compensation by \$2,495,000 for a total contract amount not to exceed \$3,405,000 in Fiscal Year 2022-23.

BACKGROUND

Over the past several years, the City has experienced high levels of development activity. For the Building Inspection Division, the ability to meet this service demand has been impacted by staff vacancies due to retirements and difficulties in finding experienced Building staff and inspectors. While the level of development activity initially decreased for building services at the beginning of Fiscal Year 2022-23, the volumes have since increased, climbing toward or exceeding prepandemic levels. The contract amount of \$910,000 was projected for this fiscal year at a time when permit volumes were declining and economic conditions suggested a potential further decline. Additionally, City staff initiated this contract at a conservative amount with the intent to return to Council if adjustments were necessary. Therefore, the requested actions reflect staff's current assessment of services that are anticipated for the remainder of this fiscal year and the consultant resources necessary based on current staffing and workload levels.

City Council Policy A-10 requires Council authorization for contracts in excess of \$100,000. Staff, therefore, requests Council authorization to amend the contract with Shums Coda Associates for building plan checking and inspection consultant services, originally approved with a maximum compensation of \$910,000, to increase maximum compensation for additional services in the amount of \$2,495,000 for a total contract amount of \$3,405,000.

The term of this contract is July 1, 2022 through June 30, 2023. Since the maximum compensation reflects an estimated amount for contract services, if service needs are less than expected, the full contract amount would not be expended. Conversely, staff may need to return to Council to request an amendment to the contract amount if development activity increases.

FISCAL IMPACT

Building Inspection Division services are part of the Development Services Fund, and the services provided are fully cost-recovered from plan checking and permit fees paid for by permit applicants. If the contract amendment is authorized by Council, then \$2,495,000 will be appropriated from the Development Services Fund for this contract amendment.

ALTERNATIVES

1. Do not appropriate fund amount.
2. Provide other direction to staff.

PUBLIC NOTICING—Agenda posting.

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