



DATE: December 12, 2017

CATEGORY: Consent

DEPT.: Community Development

TITLE: **Increase Appropriations and Amendment to Contracts for Outside Plan Checking, Inspection, and Digital Imaging Services**

RECOMMENDATION

1. Increase appropriations by \$3,475,000 in the Community Development Department, Development Services Fund, for building and fire plan checking, inspection, and digital imaging contract services. (Five votes required)
2. Authorize the City Manager to execute amendments to increase consultant contracts for outside building and fire plan checking, inspection services, and digital imaging services with CSG Consultants, Inc., from \$300,000 to \$800,000; ESH Consultants from \$200,000 to \$400,000; Fire & Risk Alliance from \$150,000 to \$350,000; O'Brien Code Consulting from \$300,000 to \$500,000; Shums Coda Associates from \$800,000 to \$3.0 million; and Telecommunication Engineering Associates from \$125,000 to \$300,000 for July 1, 2017 through June 30, 2018, for a total increase of \$3,475,000.

BACKGROUND

Over the past 19 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 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 27, 2017, Council authorized building inspection and fire plan checking and inspection contract services for Fiscal Year 2017-18 with the following companies and amounts totaling \$2,025,000:

| | |
|--|------------------------|
| BMI Imaging – Digital Imaging Services | \$ 150,000 |
| CSG Consultants, Inc. – Building Services | 300,000 |
| ESH – Fire Services | 200,000 |
| Fire Risk Alliance, LLC – Fire Services | 150,000 |
| O’Brien Code Consulting, Inc. – Building Services | 300,000 |
| Shums Coda Associates (SCA) – Building and Fire Services | 800,000 |
| Telecommunication Engineering Associates – Fire Services | <u>125,000</u> |
| TOTAL | <u>\$2,025,000</u> |

Additionally, the City secured a contract with David Chen for computer services at \$70,000 and Jensen Hughes for Fire Services at \$60,000, which exhausted the entire proposed contract amount of \$2,155,000 in the 2017-18 budget for Building Services.

ANALYSIS

Development activity continues to be at an unprecedented high in our community. The Building Inspection Division and their consultants continue to manage, plan check, inspect and document numerous commercial and residential projects in the City.

Staff evaluated the current contracts and the projected workload expected for building and fire prior to the end of the fiscal year and recommends the following increases: CSG Consultants, Inc., from \$300,000 to \$800,000; ESH Consultants from \$200,000 to \$400,000; Fire & Risk Alliance from \$150,000 to \$350,000; O’Brien Code Consulting from \$300,000 to \$500,000; Shums Coda Associates from \$800,000 to \$3.0 million; and Telecommunication Engineering Associates from \$125,000 to \$300,000. 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 such as plan checking, inspections, and digital imaging are fully cost recovered and paid for by the developers.

The term of these contracts is within the fiscal year that runs from July 1, 2017 through June 30, 2018 with a 30-day notice prior to termination. The amount encumbered for consultant contracts is increased from last year’s contract amounts due to large projects such as: Charleston East, Microsoft, LinkedIn, Prometheus, Greystar, SummerHill, and

affordable housing projects which are either in process or anticipated to be submitted prior to the end of this fiscal year.

The Building Inspection Division currently has one vacancy with recruitment soon under way. Even with the proposed vacancy filled, these contracts allow us to retain additional Building and Fire Inspectors and Permit Technicians which are necessary in order to keep up with the current development activity, even with the current vacancy filled.

FISCAL IMPACT

Of the \$2,155,000 included in the Fiscal Year 2017-18 Adopted Budget for building and fire inspection and plan checking contract services, \$2,025,000 has been used for contract services previously approved by Council on June 27, 2017 and \$130,000 is being utilized for other smaller contract work. Staff is proposing to increase the total contract amounts an additional \$3,475,000 and requesting—an increase in appropriation of \$3,475,000. The calculation for the additional appropriations requested is as follows:

| | |
|------------------------------------|----------------------|
| Fiscal Year 2016-17 Adopted Budget | \$ 2,155,000 |
| Contracts Approved by Council | (2,025,000) |
| Other smaller Contracts | <u>(130,000)</u> |
| Balance Available | -0- |
| Contract Increases Requested | <u>(3,475,000)</u> |
| Budget Savings Available | <u>-0-</u> |
| Appropriations Requested | <u>\$(3,475,000)</u> |

Building Services are budgeted separately and are fully cost recovered from plan checking and permit fees paid by the developer. There is a sufficient balance available to fund the requested \$3,475,000, which would be recovered by developer fees and returned to the Development Services Fund.

ALTERNATIVES

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

PUBLIC NOTICING – Agenda posting.

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SW/7/CAM
806-12-12-17CR-E

Attachment: 1. Council Report, June 27, 2017