



DATE: June 23, 2015

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Amend Professional Services
Contract with Hatch Mott
MacDonald**

RECOMMENDATION

1. Appropriate \$300,000 from the development revenues received in the Development Services Fund in excess of budget to the Public Works Land Development Engineering Operating Budget. (Five votes required)
2. Authorize the City Manager to amend the existing professional services contract with Hatch Mott MacDonald for an additional \$300,000 for engineering services through December 31, 2015 for a total contract amount of \$475,908. In addition, there is a contract with Hatch Mott MacDonald for traffic engineering services of \$95,000 charged to Public Works and various CIPs.

BACKGROUND

In recent years, to keep pace with increasing development activity, the Public Works Department has contracted with an outside engineering firm, Hatch Mott MacDonald (HMM), for certain land development-related plan checking and traffic engineering services. Contracting for outside services allows the flexibility to manage the development workload as it fluctuates. Consultants have been necessary to maintain quick turnaround times for plan checking services, maintaining a customer service level that is expected by the City's businesses and developers and is required under State law. In recent years, specialized services such as plan checking have been performed by consulting firms so that Public Works staff have additional time for project management and day-to-day contact with developers and Community Development Department staff. This has allowed staff to process a dramatically higher number of development reviews with a relatively smaller increase in staffing.

On April 14, 2015, the City Council amended the HMM contract to incorporate the unallocated funding from Google for a Senior Civil Engineer position in Public Works for Fiscal Year 2014-15 and provided total funding of \$175,908.

ANALYSIS

The number of development reviews in the Public Works Department has increased dramatically since a low point in Fiscal Year 2008-09, as shown in Figure 1.

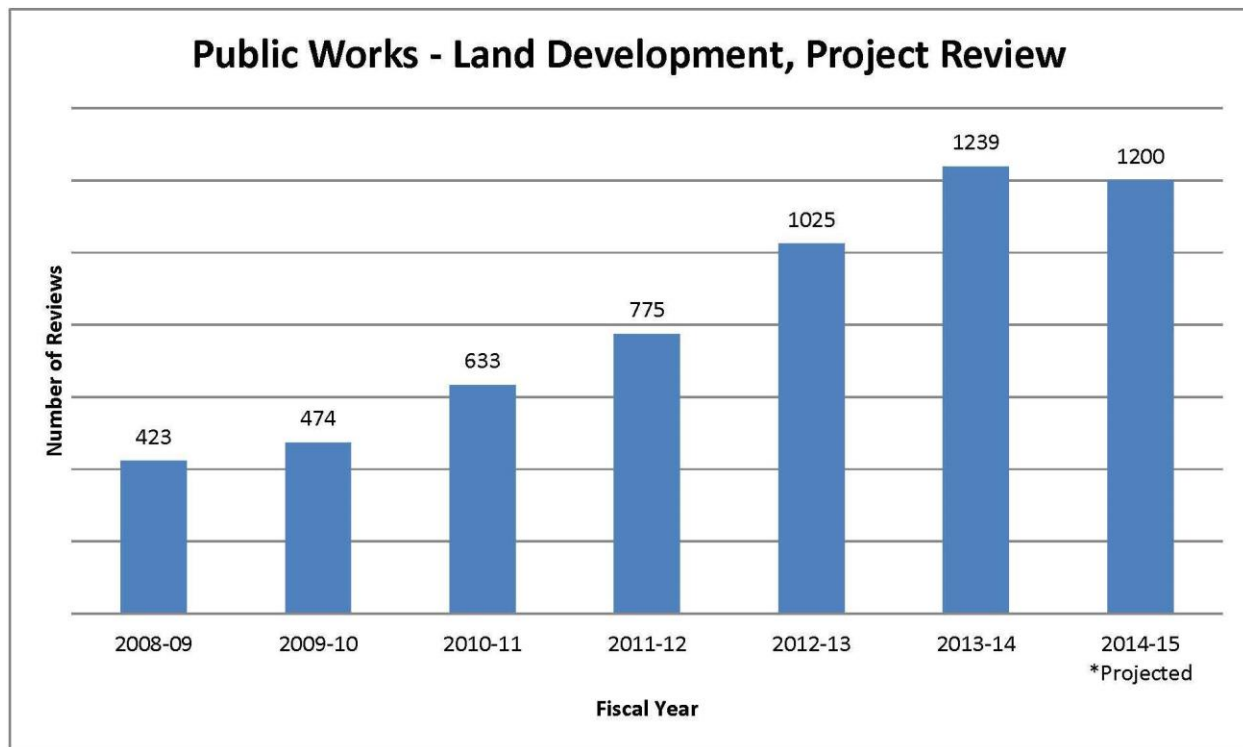


Figure 1

Staff has evaluated the anticipated workload through the remainder of calendar year 2015 and recommends increasing the HMM contract in the amount by \$300,000 for additional plan checking and project management services. Factors influencing this analysis include:

- In addition to a relatively high baseline workload, several major developments are now being submitted, including Moffett Gateway, Charleston East, and the Bonus Floor Area Ratio (FAR) sites in North Bayshore. These are large and complex projects that require a significant amount of effort;
- New positions in the Fiscal Year 2015-16 budget that are anticipated to keep up with the higher workload next fiscal year will not be filled immediately because of the time required to recruit new staff. Consultant services can help bridge the gap by performing specialized services such as plan checking and project management;

- The workload has been heavy and fees from development revenues have been relatively high as a result. The cost of the recommended contract amendment has been fully cost recovered from plan checking and permit fees paid by developers.

The recommended increase will allow the Public Works Land Development Section to maintain a high quality of development review in the time frames required as the development workload continues to increase.

FISCAL IMPACT

For Fiscal Year 2014-15, Google deposited \$377,838 with the City, of which \$175,908 is being used for a contracted Senior Civil Engineer position in Public Works. The fiscal year is almost complete and the funding is nearly exhausted. An additional \$300,000 is requested to be allocated as a budget adjustment to the Public Works Land Development Engineering Section. With the continued high level of development activity, the requested budget adjustment of \$300,000 has been recovered through Public Works plan check fees from other development projects currently in process. If the recommended action is approved, the HMM contract will be funded at \$475,908.

ALTERNATIVES

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

PUBLIC NOTICING – Agenda posting.

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EA/TS/7/CAM
932-06-23-15CR-E