



DATE: December 8, 2015

CATEGORY: Consent

DEPT.: Public Works

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

RECOMMENDATION

1. Appropriate \$250,000 from the Development Services Fund to the Public Works Land Development Engineering Operating Budget. (Five votes required)
2. Authorize the City Manager to execute a professional services contract with Hatch Mott MacDonald for \$345,000 for engineering services.

BACKGROUND

In recent years, to keep pace with increasing development activity, the Public Works Department has contracted with an outside engineering firm, Hatch Mott McDonald (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 standard 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 engineering review have been performed by consulting firms so that Public Works staff has 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.

ANALYSIS

Staff has evaluated the anticipated workload through the remainder of Fiscal Year 2015-16 and recommends a contract with HMM in the amount of \$250,000 for land development engineering services and \$95,000 for traffic engineering services, for total funding of \$345,000.

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, LinkedIn, and the other bonus Floor Area Ratio (FAR) sites in North Bayshore.
- The workload has been heavy and revenues from development fees have been relatively high as a result. The cost of the recommended contract is expected to be fully cost recovered from plan checking and permit fees paid by developers.

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

Funding in the amount of \$95,000 for this purpose is included in the Traffic Engineering Section operating budget from the Development Services Fund. The recommended actions would appropriate \$250,000 from the Development Services Fund available balance to fully fund the amendment. Staff anticipates that the additional funding will be fully recovered because fees paid to the Development Services Fund have increased with the higher workload and development activity.

FISCAL IMPACT

The Fiscal Year 2015-16 Adopted Budget allocated \$95,000 in operating funds for traffic engineering services. An additional \$250,000 is requested to be allocated as a budget adjustment to the Public Works Land Development Engineering Section for plan checking services. Although this requested increase of \$250,000 has not yet been fully cost recovered from plan checking and permit fees, there is a sufficient balance available in the Fund and staff anticipates associated fees will exceed the budgeted plan check fee revenue by at least this amount by the end of the current fiscal year. If the recommended action is approved, an HMM contract will be funded at \$345,000.

ALTERNATIVES

1. Request proposals from additional firms in lieu of amending the contract with HMM.
2. Provide other direction to staff.

PUBLIC NOTICING – Agenda posting.

Prepared by:

Edward Arango
Principal Civil Engineer

Approved by:

Michael A. Fuller
Public Works Director

Daniel H. Rich
City Manager

EA/TS/7/CAM
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