



DATE: February 11, 2014

CATEGORY: Consent

DEPT.: Community Development

TITLE: **Amendment to Contracts for Outside Plan Checking and Inspection Services**

RECOMMENDATION

1. Increase appropriations \$585,000 in the Community Development Department, Building Services Fund, for building inspection and fire plan checking and inspection contract services. (Five votes required)
2. Authorize the City Manager to execute an amendment to increase consultant contracts for outside building and fire plan checking and inspection services with Shums Coda Associates (SCA) from \$650,000 to \$1,650,000, O'Brien Code Consultants (OCC) from \$400,000 to \$700,000, and Hughes & Associates from \$125,000 to \$260,000 for July 1, 2013 through June 30, 2014.

BACKGROUND

Over the past 15 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 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 25, 2013, Council authorized building inspection and fire plan checking and inspection contract services with the following companies for the following amounts totaling \$1,450,000:

- Shums Coda Associates – Building and Fire Services \$650,000
- CSG Consultants, Inc. – Building Services \$150,000

- Hughes & Associates, Inc. – Fire Services \$125,000
- O'Brien Code Consultants – Building Services \$400,000
- AON Fire Protection Engineering Corp. – Fire Services \$125,000

ANALYSIS

Development activity continues to be very high. The Building Inspection Division and consultants continue to review, manage, and inspect several projects that include: Google, LinkedIn, Microsoft, Synopsys, and Intuit campus projects; 605 Castro Street; 625 Clyde Avenue; 250 Bryant Street; 1255 Pear Avenue; ROEM at 819 North Rengstorff Avenue; First Community Housing at 1581 El Camino Real West; Prometheus at 100 Moffett Boulevard and 1616, 1720, and 1730 El Camino Real West; SummerHill at 851 El Camino Real West; Mountain View Villas at 574 Escuela Avenue; Robson Homes at 137 Easy Street; and City Ventures at 1941 Colony Street.

Staff evaluated the current contracts, including the projected workload for the remainder of this fiscal year, and is anticipating the need to increase the SCA contract by \$1,000,000 for a new total of \$1,650,000; the OCC contract by \$300,000 for a new total of \$700,000; and Hughes & Associates by \$135,000 for a new total of \$260,000. 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.

The term of these contracts is July 1, 2013 through June 30, 2014 with a 30-day notice prior to termination. The amount encumbered for consultant contracts is in line with last year's contract amounts.

In the adopted Fiscal Year 2013-14 budget, a new in-house Plan Check Engineer (PCE) was approved. The PCE will be responsible for One Stop Permits and other smaller building permits, as well as providing building code information to customers. Staff anticipates that the addition of the PCE will reduce some need for outside plan checking services for smaller permits. Staff is currently working to hire the PCE position, two vacant Building Inspector positions, and a vacant Permit Technician position. These vacant positions are currently being filled by contract personnel. Salary savings can partially cover the additional contract costs.

FISCAL IMPACT

Of the \$2,000,000 included in the Fiscal Year 2013-14 Adopted Budget for Building Inspection and Fire plan checking and inspection contract services, \$1,450,000 has been used for contract services previously approved by Council on June 25, 2013, leaving a balance of \$550,000. Staff is proposing to increase the contract amounts for SCA, OCC, and Hughes & Associates an additional \$1,435,000, requiring an increase of \$885,000. This is offset by \$300,000 in salary savings, for a net new appropriation of \$585,000.

Building Services are budgeted separately and are fully cost recovered from plan checking and permit fees paid for by the developer. There is sufficient balance available to fund the requested \$585,000, which would be repaid by developers.

ALTERNATIVES

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

PUBLIC NOTICING – Agenda posting.

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