



DATE: April 18, 2017

CATEGORY: Consent

DEPT.: Community Development

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

RECOMMENDATION

1. Increase appropriations by \$2,340,000 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 BMI Imaging Systems from \$95,000 to \$150,000; CSG Consultants, Inc., from \$200,000 to \$250,000; ESH Consultants from \$200,000 to \$300,000; Fire & Risk Alliance from \$150,000 to \$200,000; and Shums Coda Associates from \$600,000 to \$3.4 million for July 1, 2016 through June 30, 2017, for a total increase of \$3.055 million.

BACKGROUND

Over the past 18 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 14, 2016, Council authorized building inspection and fire plan checking and inspection contract services for Fiscal Year 2016-17 with the following companies and amounts totaling \$1.7 million:

CSG Consultants, Inc. – Building Services	\$ 200,000
ESH – Fire Services	200,000
Fire Risk Alliance, LLC – Fire Services	150,000
Jensen Hughes – Fire Services	125,000
O’Brien Code Consulting, Inc. – Building Services	300,000
Shums Coda Associates (SCA) – Building and Fire Services	600,000
Telecommunication Engineering Associates – Fire Services	<u>125,000</u>
 TOTAL	 <u>\$1,700,000</u>

Additionally, the City secured a contract with BMI Imaging for \$95,000. This contract needs to be increased to \$150,000 in order to process plans finalized during this fiscal year.

ANALYSIS

Development activity continues to be very 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: BMI Imaging Systems from \$95,000 to \$150,000; CSG Consultants, Inc., from \$200,000 to \$250,000; ESH Consultants from \$200,000 to \$300,000; Fire & Risk Alliance from \$150,000 to \$200,000; and Shums Coda Associates from \$600,000 to \$3.4 million. 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, 2016 through June 30, 2017 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 and Microsoft, both which we expect to be submitted prior to the end of the fiscal year.

The Building Inspection Division currently has two vacancies with recruitments soon under way. These contracts allow us to hire additional Building and Fire Inspectors which are necessary in order to keep up with the current development activity, even with all vacancies filled.

FISCAL IMPACT

Of the \$2,105,000 included in the Fiscal Year 2016-17 Adopted Budget for building inspection and fire plan checking and inspection contract services, \$1.7 million has been used for contract services previously approved by Council on June 14, 2016. An amount of \$190,000 is being utilized for other smaller contract work. Staff is proposing to increase the total contract amounts an additional \$3,055,000. This is offset by \$500,000 in salary savings and \$215,000 in remaining appropriated funds, for a net new appropriation of \$2,340,000. The calculation for the additional appropriations requested is as follows:

Fiscal Year 2016-17 Adopted Budget	\$ 2,105,000
Contracts Approved by Council	(1,700,000)
Other smaller Contracts	<u>(190,000)</u>
Balance Available	215,000
Contract Increases Requested	<u>(3,055,000)</u>
Difference	(2,840,000)
Budget Savings Available	<u>500,000</u>
Appropriations Requested	<u><u>\$(2,340,000)</u></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 \$2,340,000, 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
806-04-18-17CR-E

Attachment: 1. Council Report, June 14, 2016