



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

April 6, 2023

AGENDA TOPIC: Consideration and possible action authorizing the City Manager to spend up to a total combined amount of \$90,000 on agreements for on-call Building Inspector and Plan Review Services

DATE: April 6, 2023

DEPARTMENT: Building Codes

PRESENTED BY: Katie Schweitzer, P.E., Manager of Engineering Services

INTRODUCTION/BACKGROUND:

The City's Financial Management Policy section VIII.B states, "*The City Manager may execute any contract, including legal settlements, less than \$50,000 provided there is a budget appropriation for such contract.*" Furthermore, Appendix A of the City's Procurement Policy requires City Council approval when a purchase exceeds \$50,000 if the purchase is unbudgeted.

The purpose of this agenda item is to ask for City Council approval for the City Manager to exceed the \$50,000 purchasing authority in order to fund existing 3rd party contracts for on-call building inspector and plan review services beyond budgeted amounts. If approved, existing and projected salary savings will be utilized so a formal budget amendment is not required.

By way of background, the Building Codes department consists of one Building Official, one Building Inspector, and one Administrative Assistant. In lieu of funding additional FTE's, \$22,000 was programmed in the FY 2022-23 Budget to supplement anticipated workloads with 3rd party on-call service contractors. The Texas Government Code exempts services of this nature from the competitive bidding process, so staff negotiated and executed two on-call contracts to supplement inspection services as budgeted.

In December 2022, the City's Building Official submitted his retirement effective January 2, 2023. In mid-January 2023, the City's Building Inspector submitted a two-week resignation notice. Late January, the City Manager entered into a third Building Inspector Services agreement to conduct plan reviews and inspection services. The Agreement was executed under emergency conditions due to:

1. the unfilled vacancy in the Building Official position; and,
2. the new vacancy in the Building Inspector position; and,
3. to continue effective operations in the Building Codes department.

City Council ratified the executed Agreement on February 2, 2023. Utilizing salary savings, an internal departmental budget adjustment of \$20,000 was made for a total budget of \$42,000 (\$22,000 + \$20,000 = 42,000) for building codes on-call services. The City Manager has the authority to make internal departmental adjustments of this nature.

The following provides the on-call service expenses through March 31, 2023:

\$18,762 spent through March 20, 2023

+\$12,925 will be utilized through March 31, 2023 (based on reserved inspections and plan reviews)

Total: \$31,687

With an average weekly on-call service expense of \$4,000, staff anticipates the total cost for on-call inspection services will exceed remaining budgeted funds of \$10,313 ($\$42,000 - \$31,687 = \$10,313$) and the established \$50,000 purchasing authority prior to hiring and onboarding a Building Official or Inspector.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Receiving City Council approval as required by the City's Financial Management Policy.
- By maintaining the on-call services, the City can continue maintaining the general health, safety, and welfare of its citizens in a timely manner.
- No budgetary impact as funding comes from the Building Codes department salary savings.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The Building Codes department salary lines savings will be utilized.

LEGAL ANALYSIS:

N/A

RECOMMENDATION/PROPOSED MOTION:

I move to authorize the City Manager to spend up to a total combined amount of \$90,000 on agreements for on-call Building Inspector and Plan Review Services.