



Folsom City Council Staff Report

MEETING DATE:	5/13/2025
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11378 - A Resolution Authorizing the City Manager to Execute Contracts Not to Exceed \$750,000 (Total Aggregate Amount for All Consultants) Annually for Building and Fire Plan Check and Inspection Services with 4Leaf, Inc., TRB and Associates, CSG Consultants, BPR Consulting Group, and Bureau Veritas
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully recommends that the City Council move to approve Resolution No. 11378 – A Resolution Authorizing the City Manager to Execute Contracts Not to Exceed \$750,000 (Total Aggregate Amount for All Consultants) Annually for Building and Fire Plan Check and Inspection Services with 4Leaf, Inc., TRB and Associates, CSG Consultants, BPR Consulting Group, and Bureau Veritas.

BACKGROUND

All building and fire construction plans for proposed development in the City of Folsom are submitted to the Community Development Department, Building Division. The submittals are reviewed by plan check staff for conformance to the California Building Code and local ordinances prior to issuance of the building permit. Once the building permit is issued and construction begins, Building and Fire Inspectors will inspect the site to ensure construction is consistent with the approved plans and Code.

Building activity in the City each year fluctuates in response to a variety of factors including but not limited to economic conditions, market demand, land use trends, land availability and readiness, and the age/conditions of existing structures. Regardless of the fluctuation, the City is obligated to review plans, issue permits, and conduct inspections in a timely manner.

The Community Development Department Building Division currently employs 11 full-time staff for Building Services and the Folsom Fire Department employs one Deputy Fire Marshal to assist in plan review and inspection services for Building Permits as listed below.

Building Division and Fire Dept Positions	# Staff
Permit Technicians	3
Building Plans Coordinator	1
Plan Checker II	1
Plan Check Engineer	1
Building Official	1
Building Inspector I/II	2
Senior Building Inspector	1
Supervising Building Inspector	1
Deputy Fire Marshall	1

The City's current staffing levels represent minimum baseline staffing to support low to moderate levels of building development activity. Over the last ten-year period, the City has experienced consistently high levels of building development activity exceeding staff capacity. In order to meet the customer needs for these higher levels of building development activity, the City has employed supplemental contract services (on call service contracts) for permit processing, plan check, and inspection services paid for by corresponding revenue for services.

The table below summarizes Community Development Building Service supplemental contract costs for the last ten-year period. Consultant costs varied widely from a low of \$248,438 in Covid Fiscal Year 2020-21 and a high of \$1,327,245 in Fiscal Year 2022-23 in response to the volume, type, and level of services required to meet the customer need.

Fiscal Year	Building Service Consultant Contract Cost
FY 2016/17	\$ 419,881
FY 2017/18	\$ 321,911
FY 2018/19	\$ 666,721
FY 2019/20	\$ 1,010,500
FY 2020/21	\$ 248,438
FY 2021/22	\$ 557,703
FY 2022/23	\$ 1,327,245
FY 2023/24	\$ 1,014,236
FY 2024/25*	\$ 711,705

*Anticipated based on first half of FY

In 2024, the Community Development Department completed a nexus study for permit processing fees and determined \$650,000 was a reasonable estimate for the average cost of consultant services for the Building Division. This resolution is requesting authorization of contracts with an aggregate total not to exceed \$750,000 annually for building service contracts over the next three years to provide a buffer based on historic service demands and corresponding revenue. Each of the five contractors would receive a portion of the total funding allocation based on assigned work. If development activities slow and the contract service demand is reduced, the full \$750,000 allocation would not be utilized. Conversely, if development activities increase and the demand for contract services increases beyond the

\$750,000 allocation, staff would return to the City Council to request an additional allocation in keeping with the increased revenue for development activities.

The last on call building services contract with three consultants (4Leaf, Inc., Interwest, and Shums Code Associates) expired in May of 2019. In February of 2025, staff posted a Request for Proposal for On Call Building and Fire Plan Check and Inspection Services. Eighteen Consultant Firms responded with a Statement of Qualifications. Staff rated the Statements of Qualifications and selected five firms to provide the City with On Call Building and Fire Plan Check and Inspection services (see Attachment 2). Firms were ranked based on services offered, staff expertise and availability, specialty skills, and expenditure. Market trends in Folsom include a demand for OSHPD III projects, civil improvement plan review, and availability of inspectors for next day on call services. With limited staff, large projects cannot be reviewed in-house and consultant availability for pre-application meetings is high. Those firms include 4Leaf, Inc., TRB And Associates, CSG Consultants, BPR Consulting Group, and Bureau Veritas.

Staff is recommending the City Manager be authorized to execute these five contracts for a three-year period (July 1, 2025, through July 1, 2028), with a cumulative not-to-exceed annual amount of \$750,000 utilizing revenue from building services permit, plan check, and inspection fees.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, contracts greater than \$73,209 shall be awarded by the City Council.

ANALYSIS

As described in the background section of this report, Folsom has experienced consistently high volumes of building permit, plan check, and inspection activity over the last ten years exceeding our baseline staffing capacity. In order to meet the building service demand, Folsom has utilized on-call consultant service contracts for permit processing, plan check, and/or inspection services. This resolution authorizes the execution of contracts with five firms to allow the Community Development Building Division and Fire Department Deputy Fire Marshall to route plans for review or request inspection services for current applications as needed for timely response for paid building services.

Industry standard practice is that building services consultants receive a percentage of the City's Plan Check Fees for a full plan review (20%-65% depending on scope and type of project). Consultants currently perform a full building plan review on all large multi-family and commercial projects due to the faster turnaround time and larger staffing pool at a fee of 55% of the plan review fee collected. The proposed percentage for the next contract will be an average of 65% among the five selected consultants as shown in the table below.

Consultant Costs for Services					
Consultant	Percentage of Plan Review Fee		Hourly Rate for Staff		
	Commercial	Residential	Permit Technician	Building Inspector	Fire Inspector
4Leaf, Inc.	64%	64%	\$80	\$115	\$155
TRB & Associates	55%	30%	\$75	\$115	\$125
CSG Consultants	65%	45%	\$80	\$125	\$140
BPR Consulting Group	68%	65%	\$65	\$115	\$125
Bureau Veritas	65%	60%	\$70	\$105	\$140

Consultant Inspection and Technician Services are invoiced on an hourly basis and funded through the Permit Issuance Fees collected. Consultant inspection services are utilized for smaller, less complex construction projects such as residential remodels and residential new construction while City Staff inspect larger, more complex projects such as hotels, large apartment complexes, and commercial projects. Permit Technician services are utilized when high volumes of permit applications are anticipated to maintain customer service levels.

Fire Consultant Plan Review and Inspection Services are paid for in full by the applicant per the Fire Master Fee Schedule. Consultant services are utilized for 98% of all Fire plan reviews and 50% of all Fire inspections.

Applicants are also required to contract directly with consultants for OSHPD III projects that require special licensing and certification. Providing five consultants allows for flexibility with the applicants to select a consultant that works best for their scope of work and timeline.

In implementing these contracts for consulting services, Staff will allocate work between the five selected consultants based on workload, expertise, and cost for respective services. It's important to note that Community Development Building Division and Fire Department Staff will retain the flexibility to assign work to one or more of the selected firms within the cumulative not to exceed contract amount of \$750,000 for services exceeding staff capacity. In other words, selected firms are not guaranteed assignment of work and are not limited to a fair share portion of the total not to exceed contract amount. This allows Staff the ability to determine how best to meet our contract service needs as those needs arise.

Each fiscal year, the Community Development Staff prepare revenue projections based on discussions with potential developers, landowners, and stakeholders about approved or planned entitlements and projects to predict the level of development activity for the next fiscal year. This projection is used to identify any additional staffing needs/costs and to estimate supplemental contract services needs/costs. Historically, the City's adopted budget includes a conservative percentage of the Staff revenue projection for development activity. For the last ten-year period, actual development activity and corresponding revenue and consultant contract costs have exceeded both the City's adopted budget and the Staff projections. Staff will continue to prepare cost-benefit analysis of high contract service costs vs additional full-time staff to meet building service needs. The proposed on-call service solution for building services with a cumulative not to exceed amount of \$750,000 annually for the next three years allows

flexibility in how the City meets our service needs and does not preclude alternative or supplemental solutions (e.g., full time permanent staff, part-time temporary contract staff, pass through funding contracts)

FINANCIAL IMPACT

The cost of Third Party Building Plan Review and Inspection Services is offset by revenue generated by Plan Check and Issuance Fees adopted by City Council Resolution.

The cost of Third Party Fire Plan Review and Inspection Services is directly passed to and paid for in full by the applicant consistent with the fee schedule and Folsom Municipal Code requirements adopted by City Council.

The Building Division contracts have a cumulative proposed maximum annual amount of \$750,000; however, actual expenditures will be limited to the amount appropriated in the approved City budget. Any expenditure beyond this amount will require subsequent City Council review and approval. While the full contract authority of \$750,000 allows for flexibility in addressing service demand and revenue fluctuations, only the funds appropriated through the City's budget process may be expended. Should service demands necessitate additional spending beyond the initially adopted budget, staff will return to City Council with a request for an additional budget appropriation in order to utilize the remaining contract capacity.

ENVIRONMENTAL REVIEW

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 b (3) (General Rule Exemption) of the CEQA Guidelines.

ATTACHMENT

1. Resolution No. 11378 – A Resolution Authorizing the City Manager to Execute Contracts Not to Exceed \$750,000 (Total Aggregate Amount for All Consultants) Annually for Building and Fire Plan Check and Inspection Services with 4Leaf, Inc., TRB and Associates, CSG Consultants, BPR Consulting Group, and Bureau Veritas
2. Consultant Ranking Summary

Submitted,



Pam Johns, Community Development Director