



Folsom City Council Staff Report

MEETING DATE:	11/12/2025
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11501 - A Resolution Authorizing the City Manager to Execute Contracts Not to Exceed \$690,000 (Total Aggregate Amount for All Consultants) Annually for Development Engineering, Construction Inspections, and On-Call Surveying Services with REY Engineers, Inc., 4Leaf, Inc., BKF, Boswell & Associates, and Unico Engineering in the General Fund (Fund 010)
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully recommends that the City Council move to approve Resolution No. 11501 - A Resolution Authorizing the City Manager to Execute Contracts Not to Exceed \$690,000 (Total Aggregate Amount for All Consultants) Annually for Development Engineering, Construction Inspections, and On-Call Surveying Services with REY Engineers, Inc., 4Leaf, Inc., BKF, Boswell & Associates, and Unico Engineering in the General Fund (Fund 010)

BACKGROUND

All engineering plans for proposed development in the City of Folsom are submitted to the Community Development Department, Engineering Division. The submittals are reviewed by qualified plan check staff for conformance to engineering standards and best practices prior to issuance of site improvement permits. Once the site improvement permits are issued and construction begins, qualified construction inspection staff will inspect the site to ensure construction is consistent with the approved plans and requirements.

Development 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, and land availability and readiness. Regardless of the fluctuation, the City is obligated to review plans, issue permits, and conduct inspections in a timely manner.

With the reorganization of services and staffing among various City Departments in October 2025, the Community Development Department Development Engineering Division includes

five full time equivalent positions for development engineering plan review and inspection services as listed in the table below.

CDD Engineering Positions	# Staff
Development Engineering Manager	1
Senior Civil Engineer	1
Assistant Civil Engineer	2
Senior Construction Inspector	1

The City’s current staffing levels represent minimum baseline staffing to support low to moderate levels of development activity. Over the last ten-year period, the City has experienced consistently high levels of development activity exceeding staff capacity, especially with new development in the Folsom Plan Area Specific Plan (FPASP). Additionally, the engineering team has had staff vacancies with one or more positions consistently over the last 2-year period. To meet the customer needs for these higher levels of building development activity and staff vacancies, the City has employed supplemental contract services (on call service contracts) for development engineering, construction inspection, and on-call surveying services paid for by corresponding revenue for services.

As authorized by City Council and consistent with Measure W, development activity in the FPASP shall be full cost recovery using a deposit-based system with “time and materials” billing approach for staff time and consultant services associated with development activity. City Council authorized staff to manage assignment and oversight of consultant work for both off-site engineering (backbone infrastructure) and on-site engineering work on private development within the FPASP. The City continues primary work assignments under separate contracts with Pinnacle for plan check and inspections and Gerry Young for surveying/mapping work in the FPASP. The proposed on call engineering contracts in this Resolution are intended to serve primarily development north of Highway 50 with the occasional assignment for on-site (private development) services at full cost recovery south of Highway 50.

The table below summarizes Community Development Engineering Service supplemental contract costs for the last six-year period. While these total annual consultant costs reflect services both north and south of Highway 50, the vast majority of consultant costs involved pass through funding for consultant engineering services in the FPASP south of Highway 50 for both backbone infrastructure (off sites) and private development (on sites). Annual engineering consultant costs varied widely from a low of \$1,467,821 and a high of \$2,596,382 in response to the volume, type, and level of services required to meet the customer need.

Fiscal Year	Building Service Consultant Contract Cost
FY 2019/20	\$ 1,467,821
FY 2020/21	\$ 1,657,199
FY 2021/22	\$ 2,257,112
FY 2022/23	\$ 2,596,382
FY 2023/24	\$ 1,879,224
FY 2024/25	\$ 1,425,708

While the actual engineering contract expense each year has exceeded the annual engineering contract allocation in the adopted budget, the full cost recovery system for development activity in the Folsom Plan Area ensures that the expense for engineering services will not exceed the revenue required for same engineering services. This resolution is requesting authorization of contracts with an aggregate total not to exceed \$690,000 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 \$690,000 allocation would not be utilized. Conversely, if development activities increase and the demand for contract services increases beyond the \$690,000 allocation, staff would return to the City Council to request an additional allocation in keeping with the increased revenue for development activities.

Current contracts for engineering services north of Highway 50 are expired. In September of 2025, staff posted a Request for Proposal for On Call Development Engineering, Construction Inspection, and On-Call Surveying Services. Five Consultant Firms responded with a proposal for one or more of the solicited contract services. Staff rated the Proposals and selected all five firms to provide the City with On Call Development Engineering, Construction Inspection, and On-Call Surveying Services (see Attachment 2). Firms were ranked based on services offered, staff expertise and availability, specialty skills, and expenditure. Those firms include REY Engineers, Inc., 4Leaf, Inc., BKF, Boswell & Associates, and Unico Engineering.

Staff is recommending the City Manager be authorized to execute these five contracts for a three-year period (January 1, 2026, through January 1, 2029), with a cumulative not-to-exceed annual amount of \$690,000 utilizing revenue from engineering plan check, inspection, and surveying permits and projects.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, contracts greater than \$75,049 shall be awarded by the City Council.

ANALYSIS

As described in the background section of this report, Folsom has experienced consistently high volumes of development engineering 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 development engineering plan check, surveying, and/or inspection services. This resolution authorizes the execution of contracts with five firms to allow the Community Development Engineering Division to route plans for review, assign surveying work, or request inspection services for current applications as needed for timely response for paid building services.

Industry standard practice is that engineering services consultants receive a percentage of the City's Plan Check Fees for a full plan review. The proposed percentage for the next contract will vary among the five selected consultants as shown in the table below.

Consultant Costs for Services (% of City Fee or Hourly Rate)					
Project Type or Staffing Cost	REY Engineers	4Leaf, Inc	BKF	Boswell & Associates	Unico Engineers
Plan Review (PR), Plan Review and Inspection (PR&I)					
Project Value < \$10,000	PR 65% PR&I 80%	PR 65% PR&I 85%			
Project Value \$10,001 - \$100,000	PR 60% PR&I 77.5%	PR 65% PR&I 85%			
Project Value \$100,001 - \$200,000	PR 55% PR&I 75%	PR 65% PR&I 85%			
Project Value \$201,000 - \$299,999	PR 50% PR&I 72.5%	PR 65% PR&I 85%			
Project Value \$300,000 and higher	PR 45% PR&I 70%	PR 65% PR&I 85%			
Final Map and Parcel Map					
Parcel Map	PR 85%	PR 85%			
Final Map and Parcel Map Review	PR 85%	PR 85%			
Certificate of Correction/Compliance	Hourly Only	Hourly Only	Hourly Only		
Lot Line Adjustment	PR 85%	PR 85%			
Entitlement/Design Review					
New MF, Comm., or SF Subdivision	PR 10%	PR 85%			
Existing MF or Comm.	Hourly with NTE Estimate	Hourly with NTE Estimate	Hourly with NTE Estimate		
New SF or Two Dwelling					
Existing SF or 2-unit					
New Historic District MF or Comm.	PR 10%	PR 85%			
Existing Historic District MF/Comm.	Hourly with NTE Estimate	Hourly with NTE Estimate	Hourly with NTE Estimate		
New SF, Two-Dwelling, Non-exempted ADU					
Historic District Demo	NA	NA	NA		
Development Engineering Manager	\$349	\$265	\$273		
Principal Civil Engineer	\$315	\$260	\$317		\$235
Senior Civil Engineer	\$264	\$235	\$233		\$275
Associate Civil Engineer	\$205	\$220	\$205		\$235
Assistant Civil Engineer	\$172	\$205	\$179		\$200
Land Surveyor I	\$220	\$235	\$233		\$135
Land Surveyor II	\$306	\$250	\$287		\$120
Sr Construction Inspector	\$242	\$225	\$273	\$150	\$190
Construction Inspector	\$213	\$210	\$251	\$150	\$185

Consultant Construction Inspection Services are invoiced on an hourly basis and funded through the Engineering Plan Check and Inspection Fees collected. Consultant inspection services are utilized for larger, more complex projects such as hotels, large apartment complexes, and commercial projects with full cost recovery requirements. The City's Senior Construction Inspector oversees consultant inspection work and performs inspections for smaller, less complex construction projects such as residential remodels and residential new construction.

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 Engineering Division will retain the flexibility to assign work to one or more of the selected firms within the cumulative not to exceed contract amount of \$690,000 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, Community Development prepares 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 development engineering services with a cumulative not to exceed amount of \$690,000 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 development engineering, construction inspection, and on-call surveying services is offset by revenue generated by Engineering Plan Check and Inspection Fees adopted by City Council Resolution.

The General Fund (Fund 010) Engineering Division contract budget appropriation is established by City Council budget authorization. In the current FY 2025-26 budget, funds in the amount of \$690,000 are budgeted and available in the contracts line item for all Engineering Division contracts. Cumulative contract expenditures have exceeded \$690,000 annually for the last 6 years, and it is likely that service demand may require that staff request the City Council appropriate additional funds in FY 2025-26 in order to spend more than the \$690,000 currently budgeted. This additional appropriation would be offset by a corresponding increase in revenue.

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. 11501 - A Resolution Authorizing the City Manager to Execute Contracts Not to Exceed \$690,000 (Total Aggregate Amount for All Consultants) Annually for Development Engineering, Construction Inspections, and On-Call Surveying Services with REY Engineers, Inc., 4Leaf, Inc., BKF, Boswell & Associates, and Unico Engineering in the General Fund (Fund 010)
2. Consultant Ranking Summary

Submitted,



Pam Johns, Community Development Director