



Folsom City Council Staff Report

MEETING DATE:	2/25/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10394 - A Resolution Authorizing the City Manager to Amend Existing Contracts for Building Plan Check and Inspection Services with Shums Coda Associates, 4Leaf, Inc., and Interwest Consulting Group to Increase the Aggregate Contract Amount and Appropriation of Funds (173-21 15-058, 173-21 15-057, 173-21 15-064)
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends that the City Council approve Resolution No. 10394 – A Resolution Authorizing the City Manager to Amend Existing Contracts for Building Plan Check and Inspection Services with Shums Coda Associates, 4Leaf, Inc., and Interwest Consulting Group to Increase the Aggregate Contract Amount and Appropriation of Funds (173-21 15-058, 173-21 15-057, 173-21 15-064)

BACKGROUND / ISSUE

All building plans are submitted to the Building Division of the Community Development Department for a building permit before construction can begin. Each plan submitted must be processed by building permit technicians and reviewed by the plan check staff for conformance with the building code and local ordinances before a building permit can be issued. Once the permit is issued, building inspectors perform inspections through out the construction process for conformance with the building code before a certificate of occupancy can be issued.

During budget planning for Fiscal Year (FY) 2019-20, the Building Division staff anticipated the need for additional manpower and expertise to help maintain review periods under established timelines and to allow inspections to be conducted in a timely manner. Staff estimated a cost of approximately \$425,000 (total aggregate amount for all consultants) to meet

these additional service needs. The amount of \$425,000 was approved and allocated in the FY 2019-20 budget.

Due to an increase in building permit activity, a longer recruitment for plan review staff and an unexpected vacancy in permit technician staff, the City staff has been using the approved consultants more than expected to maintain required inspection, plan review and processing turnaround schedules. This has resulted in the projected expenditure of more than was anticipated through this fiscal year. At this time, staff is recommending that an additional amount of \$350,000 (total aggregate amount for all consultants) be added to the FY 2019-20 budget in the Community Development Department, for a total not-to-exceed of \$775,000 in the aggregate for Building Plan Check and Inspection services.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, contracts of \$62,014 or greater shall be approved by the City Council.

ANALYSIS

The unpredictability of permit activity generates a variable workload, yet the demand to review building plans and conduct inspections quickly is paramount to support the building industry and to maintain the economic growth of the City. In the past, support from building plan check consultants has proved extremely successful in adhering to established review timelines. The use of consultants has also provided the department the flexibility needed due to the inconsistent workload. With approval of this resolution, the consultants will assist staff in providing building permit technician, building plan check and inspection services on an as-needed basis. Consultants will receive 55% of the City's Plan Check Fee for a full review and the City will retain 45% as well as the full Building Permit Fee. The Building Permit Fee is used primarily to cover inspection and permit processing costs. When feasible, a straight hourly rate will be utilized in lieu of a percentage-based fee for consulting services.

Staff will maintain the majority of reviews and inspections in-house but, when necessary, staff will allocate the work between the approved consultants based on workload, expertise and expenditure. The contract with each consultant will have a not-to-exceed time period of the 2019-20 fiscal year. Total contract payments will be based on the amount of funds budgeted for the fiscal year.

FINANCIAL IMPACT

Contracted services for Building Plan Check and Inspection Services was included in the FY 2019-20 Budget for \$425,000. Through the first six months of this fiscal year, approximately \$346,089 has been expended. The utilization of contracted services has increased due to an increase in building permit activity, a longer recruitment than expected for one position and the unexpected vacancy of another position. Both positions would have been providing staff services that had to be contracted for. The current budget will not be sufficient to provide the

additional services needed for the remainder of the FY 2019-20. The additional contract amendment of \$350,000 will be partially funded from the current available budget in the Community Development Department (\$175,000), and staff is requesting an additional appropriation in the amount of \$175,000 for the remainder of the contract amendment.

Building permit fees were budgeted in FY 2019-20 in the Community Development Department at \$1.3 million, as of January revenues have exceeded the budget and it is projected the building permit fees will generate at least the additional \$175,000 needed for the additional appropriation.

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.

ATTACHMENTS

Resolution No. 10394 - A Resolution Authorizing the City Manager to Amend Existing Contracts for Building Plan Check and Inspection Services with Shums Coda Associates, 4Leaf, Inc., and Interwest Consulting Group to Increase the Aggregate Contract Amount and Appropriation of Funds (173-21 15-058, 173-21 15-057, 173-21 15-059, 173-21 15-064)

Submitted,



Pam Johns
Community Development Director

RESOLUTION NO. 10394

A RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND EXISTING CONTRACTS FOR BUILDING PLAN CHECK AND INSPECTION SERVICES WITH SHUMS CODA ASSOCIATES, 4LEAF, INC., AND INTERWEST CONSULTING GROUP TO INCREASE THE AGGREGATE CONTRACT AMOUNT AND APPROPRIATION OF FUNDS (173-21 15-058, 173-21 15-057, 173-21 15-064)

WHEREAS, the Community Development Department, Building Division, has established the need for as-needed outside plan check and inspection services; and

WHEREAS, funds have been appropriated for this purpose in the Fiscal Year 2019-20 budget, however, an additional appropriation is required in the amount of \$175,000: and

WHEREAS, consultant firms are selected based on their professional qualifications, experience and cost; and

WHEREAS, the three firms listed above have existing contracts with the City for performing this work; and

WHEREAS, in accordance with Chapter 2.36 of the Folsom Municipal Code, contracts of \$62,014 or greater shall be approved by the City Council.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom hereby authorizes the City Manager to amend existing contracts for building plan check and inspection services with Shums Coda Associates, 4Leaf, Inc., and Interwest Consulting Group, to increase the aggregate contract amount by \$350,000 for a not to exceed amount of \$775,000.

NOW, THEREFORE, BE IT RESOLVED that the Finance Director is authorized to appropriate an additional \$175,000 expense to the FY 2019-20 Budget in the General Fund (Fund 010) in the Community Development Department for this amendment and to also appropriate an additional \$175,000 to the General Fund in the Community Development Department in additional Building Permit fee revenue.

PASSED AND ADOPTED this 25th day of February 2020, by the following roll call vote:

AYES:	Council Member(s):
NOES:	Council Member(s):
ABSENT:	Council Member(s):
ABSTAIN:	Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK