



Department: Community Development
Cost Center: 4006
For Agenda of: 4/2/2024
Placement: Consent
Estimated Time: NA

FROM: Timmi Tway, Community Development Director
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SUBJECT: AUTHORIZATION TO ADVERTISE A REQUEST FOR QUALIFICATIONS FOR ON-CALL DEVELOPMENT REVIEW SUPPORT SERVICES

RECOMMENDATION

1. Approve the draft Request for Qualifications (RFQ) to provide on-call development review services (Specification No. 2024-4006-01); and
2. Authorize the City Manager to execute agreements with selected consulting firms; and
3. Authorize the Finance Director to execute and amend Purchase Orders for individual consultant services contract in an amount not-to-exceed the authorized project budget; and
4. Authorize the Community Development Director to amend or extend the agreements for services in accordance with its term and within the available annual budget.

POLICY CONTEXT

The City's purchasing policy requires competitive bids for a single transaction and cumulative purchases that occur in a fiscal year at Tier 3 through 5 in its purchasing guidelines (as outlined in Attachment A, Purchasing Policy Tier Approval Guide for Professional Services). The costs of on-call development review services have varied greatly from year to year depending on staffing levels and workloads. In most recent years, costs for these services have exceeded the Tier 5 threshold (\$150,000+) due to the unprecedented amount of construction projects occurring within the city.

Municipal code 3.24.030 (f) states the City Administrative Officer as the purchasing authority shall seek 'to consolidate department orders for like services to ensure discount pricing whenever feasible.' On-call consultant lists shall be renewed at least every five years by a new RFQ process as required by municipal code section 3.24.070 (c).

Interpreting the policy and Municipal Code together, the Finance Department, Fire Department, and Community Development Department recommends establishing a list of qualified consultants through the RFQ process to perform development review related services. Then, once the contracts are in place, City staff can utilize the services of the contractors with negotiated pricing and terms to reduce overall service costs.

DISCUSSION

In order to meet published cycle times for plan review, the Community Development Department and Fire Department currently require the use of contract plan check services to supplement efforts of in-house resources. The proposed Request for Qualifications (Attachment B) for on-call consultants is to ensure that the City's best economic interests are served and that the Community Development Department can continue to meet the needs and expectations of the public for plan check, engineering review, and inspection services. Requesting proposals in a competitive market will expand the pool of consultant firms to choose from in order to meet published cycle times for plan review.

On-call consultants have been providing plan check services to the City for the last 10 years and can seamlessly keep the workflow moving. Building and Safety currently has several on-call consultants that provide plan check services at a cost of 65% of the applicant's cost of service fee with the remainder of the fee covering all other city costs. The contract scope also includes an applicant-requested option for expedited plan check service where a plan check consultant provides a premium accelerated plan check for time sensitive projects. In such cases, the applicant pays the consultant a higher fee in accordance with their contract for accelerated plan checks. This process would remain available under the proposed contract scope.

While not the primary purpose of this effort, engineering development review and inspection services are included with this RFQ in order to have that capacity should the need arise. On-call consultant services for engineering review and inspections have been required and utilized over the past few years due to staff shortages and increased workloads. Staff has found it more cost effective to hire temporary staff to perform the work during periods of high permit activity and continues to pursue the most cost-effective approach; however, on-call consultants are utilized for projects when staffing levels cannot accommodate providing timely services.

It is typical for consultants to increase their costs for services on an annual basis, as determined by going market rates. In alignment with previous approaches, staff recommends authorizing the Community Development Director to reestablish the terms of the agreement when necessary to ensure that new rates do not exceed budgetary allocations for these services. This authorization will guarantee that rates cannot increase without approval from the Community Development Director, but still allow the contractual work to continue through fiscal years of the budget cycles.

The terms of the agreements with the consultants, including the term of the agreement, and the process for using the agreements will be in accordance with current Finance Department policy, and will be outlined in the RFQ posting (Attachment B).

Previous Council or Advisory Body Action

The City Council previously approved a similar authorization on April 2, 2019. The current contracts were established as a result of the previous council action will expire in July 2024.

Public Engagement

Public comment can be provided to the City Council through written correspondence submitted prior to the meeting and through public testimony during the meeting. This RFQ will be advertised following all purchasing guidelines.

CONCURRENCE

The Finance Department and Fire Department agrees with the need for these services to be procured through multiyear contracts with on-call consultants.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a “Project” under CEQA Guidelines Sec. 15378.

FISCAL IMPACT

Budgeted: Yes

Budget Year: 2024-25

Funding Identified: Yes

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$140,000	\$	\$	\$
State				
Federal				
Fees				
Other:				
Total	\$140,000	\$	\$	\$

Existing contracts and industry standard cost for consultant building permit plan check service is 65% of the amount the City collects for the service provided. In addition to the plan check service, total cost to the City includes overhead and administrative requirements associated with management and oversight of the consultant plan check process. Building inspection and engineering development review services are funded through “Other Contract Services” budgets line items. The Building and Safety Division has been allocated \$140,000 for these services during the 2024-25 fiscal year.

Consistent with the City's budget policies, the Community Development Department sets fees to accomplish 100% cost recovery for this service. Therefore, the recommendation to issue a RFQ and enter into agreements with consultants for plan check services has no net fiscal impact on the City's general fund.

ALTERNATIVES

Do not authorize the issuance of the proposed RFQ, allow existing agreements with plan review consultants to expire, and provide increased services through additional staffing. This is not recommended as a sustainable alternative due to the varying factors that influence the workloads for development review services. While staffing levels are regularly assessed during financial plans, on-call consultants are a necessary resource to utilize during times of staff vacancies, staff vacations and extended leaves of absence, and during times when several large-scale project applications are submitted to the City at same time.

ATTACHMENTS

- A – Purchasing Policy Tier Approval Thresholds
- B – RFQ Draft Spec. No 2024-4006-01