



DATE: December 12, 2017

TO: Mayor and City Council

FROM: Interim Development Services Director

SUBJECT: Adoption of Two Resolutions: 1) Authorizing the City Manager to Execute Agreements with West Coast Consultants (WC3); 4Leaf, Inc.; CEL Consulting, Inc.; and CSG, Consultants, to Provide Plan Check Services, Inspection Services, and Permit Technician Services; and 2) Increase the FY2018 Budget Appropriation for Consulting Services by an Additional \$450,000

RECOMMENDATION

That Council adopts the attached resolutions authorizing the City Manager to negotiate and execute Agreements with four consulting firms to provide plan check, building inspection and permit technician services, and increasing the FY2018 budget appropriation by an additional \$450,000.

BACKGROUND

The City of Hayward currently has executed agreements with multiple private firms to provide plan check services and inspection services in order to support customer demand that exceeds the availability or capacity of City staff. Keeping several firms under contract and available to respond also provides the City the flexibility of utilizing qualified firms or persons on short notice, which are best suited based on specific area of specialization and staff availability.

On October 6, 2017, RFP #1808-100217 was released, soliciting proposals to provide both on-site and off-site plan check services, building inspection services, and temporary permit technicians for the Building Division. Eight (8) firms submitted proposals that were reviewed by staff. Consultants were selected based on price, availability to provide on-call service, and turn-around times.

The following firms were selected:

- West Coast Code Consultants
- 4 Leaf Inc.
- CEL Consulting

- CSG Consultants

On June 20, 2017, Council adopted Resolution #17-086, approving the FY2018 Operating Budget, which included a 36% increase in projected revenue for building permits in comparison to FY2017. Staff is seeking an increase in the expenditure appropriation for Consulting Services to correspond with the revenue increase, and to cover the cost of outside firms to perform plan check and inspection services, as well as provide temporary permit technicians as needed.

DISCUSSION

The Development Services Department currently employs one (1) Plan Checker, and one (1) Senior Plan Checker, who are responsible for both commercial and residential plan review. The increasing demand for permits and inspection services has further necessitated the need to utilize outside services. These services allow staff to assure large projects, such as complex commercial and industrial projects or subdivisions that involve multiple sets of plans, can be reviewed in a timely manner.

The Development Services Department also currently employs three (3) Building Inspectors, and three (3) Senior Building Inspectors to handle all residential and commercial building inspections to ensure safety and compliance with the California Building Code. Between 2009 and 2012, the number of full time permanent Building Inspectors decreased from six (6) to three (3). In order to handle the increasing workload, it has been necessary to contract additional inspection services from outside firms.

The Permit Center is integral to the day to day operations of the Development Services Department, and is regularly staffed with 6.0 FTEs, (one (1) Supervising Permit Technician, one (1) Senior Permit Technician, three (3) Permit Technicians, and one (1) Administrative Clerk). Due to retirements, promotions, and extended leave, there is currently one (1) Supervising Permit Technician, and one (1) Permit Technician. It has been necessary to enlist the services of outside consultants who are able to assist with coverage in the Permit Center pending recruitments to fill vacant positions.

Staff seeks Council approval for the City Manager to execute agreements with West Coast Code Consultants (WC3); 4Leaf, Inc.; CEL Consulting; and CSG, Consultants, to provide plan check services, building inspection services, and temporary permit technicians, as needed. The City would maintain an option to extend individual contracts on an annual basis, not to exceed a total of three years. Work will be distributed to each vendor in a manner that best serves the needs of the City of Hayward and our customers, based on the consultant's ability to provide expedited or timely services as needed by the City.

The rising demand for permits and inspection services has further necessitated the utilization of outside services, resulting in increased costs that are on the verge of surpassing the \$340,000 budget appropriation for FY2018. The Development Services Department has received invoices through October, for plan check, building inspection, and permit technician services, totaling \$333,025. These services allow staff to ensure large

projects, such as complex commercial and industrial projects or residential tracts that involve multiple sets of plans, can be reviewed in a timely manner and inspections are conducted the next business day after requested, in line with the Building Division's standard.

Staff seeks Council approval to increase the expenditure appropriation for Consultant Services by an additional \$450,000, and authority for the City Manager to negotiate and execute amendments to the agreements with the four (4) consulting firms listed in this staff report.

FISCAL IMPACT

The cost of contracting for consultant plan check services is offset by the fees paid for plan check by the permit applicant at the time plans are submitted. Inspection costs are offset by the permit fee at the time the permit is issued. Costs for temporary permit technicians are offset by both administrative fees, and salary savings from vacant positions. Costs for plan check and inspection fees incurred by the consultants shall not exceed the City's plan check and inspection fees collected for permits by the City. Consultants are hired for review or inspection services on a per project basis, so there is no cost to the City if demand for plan check or inspection services either increases or is diminished.

STRATEGIC INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities Strategic Initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work, and play. This item supports the following goal and objectives:

Goal 3: Develop a Regulatory Toolkit for Policy Makers.

Objective 3: Develop and refine other regulatory tools.

PUBLIC CONTACT

No public contact has occurred associated with this action.

NEXT STEPS

Upon Council approval of this resolution, staff will prepare amendments to the agreements with West Coast Consultants (WC3); 4Leaf, Inc.; CEL Consulting, Inc.; and CSG, Consultants.

Prepared by: Jade Kim, Management Analyst I

Recommended by: Stacey Bristow, Interim Development Services Director

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

Kelly McAdoo, City Manager