



# CITY OF HAYWARD

Hayward City Hall  
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## Cover Memo

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**DATE:** January 19, 2016

**TO:** Mayor and City Council

**FROM:** Director of Development Services

### **SUBJECT**

Resolution Appropriating Additional Funds to Increase the Contract/Consulting Services budget for Outside Building Plan Check and Inspection Services for the Current Fiscal Year

### **RECOMMENDATION**

That Council adopts the attached resolution appropriating funds for outside plan check and building inspection services.

### **SUMMARY**

Current staffing levels and the increasing demand for building permit plan check and inspection services has further necessitated the need to utilize outside firms. These services ensure that large projects, such as complex commercial and industrial projects or residential tracts involving multiple sets of plans, can be reviewed and inspected in a timely manner. Continuation of using a combination of staff and outside services allows this flexibility with minimum disruption to staff and service delivery.

### **BACKGROUND**

On July 30, 2013, Council approved Resolution 13-133, authorizing the negotiation and execution of contracts for plan check services through June 30, 2016, subject to annual appropriation through the budget process. The four firms approved by this action are West Coast Consultants (WC3), which also provides inspection services; Kutzmann & Associates, Inc.; ASI Consulting Engineers; and CSG, Consultants. These firms are currently under contract and have proven their ability to perform thorough inspections and review of plans with timely turnaround of reviews and excellent customer service.

On October 27, 2015 Council approved Resolution 15-199, authorizing an amendment to an agreement for building inspection services with 4Leaf Inc., in an amount not to exceed \$120,000. These additional services were necessary due to the high volume and inspection needs growing beyond the number of available inspectors from WC3, which is the only firm of the original four under contract that can provide such services. Fortunately, 4Leaf Inc., was able to accommodate the extra assistance needed to continue the flow of work, and keep construction projects on track for our customers.

Furthermore, due to the recent and unexpected retirement of one of the permanent building inspectors, additional services may be necessary pending the recruitment process to fill this position.

## DISCUSSION

Currently, \$340,000 is allocated for this fiscal year for the four outside consulting firms to provide building plan check and inspection services. Invoices received through the end of December for these services total \$285,600, which is 84% of the entire fiscal year's allocation for such services. It is estimated that the current allocation for these services will be exhausted by the end of January 2016.

Plan check and inspection services are paid out of plan check and permit fees paid by permit applicants. As of the end of November 2015, the City had taken in approximately \$1,700,000 in permit and plan check fees. Staff roughly pays 19% of the total fees collected toward outside plan check and inspection services. Staff is requesting an additional allocation of \$400,000 to cover the consulting fees for services through the end of the fiscal year.

## FISCAL IMPACT

The cost of contracting for additional consultant plan check and inspection services will be offset by plan check fees paid at time of submittal of permit applications, and permit fees to cover inspection costs paid when permits are issued. Robust construction activity should continue through at least the remainder of the fiscal year.

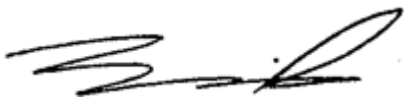
## NEXT STEPS

If Council adopts the attached resolution, budget adjustments in line with the resolution language will be made.

*Prepared by:* Jade Kim, Management Analyst I

*Recommended by:* David Rizk, Development Services Director

Approved by:



Fran David, City Manager

Attachments:

Attachment I

Resolution