



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: January 10, 2023

TO: Honorable Mayor and Members of the City Council

FROM: Jovan D. Grogan, City Manager

PREPARED BY: Darcy Smith, Assistant City Manager

SUBJECT: Adopt a Resolution Authorizing the City Manager to Execute Agreements with True North Compliance, Inc. in an Amount Not to Exceed \$285,000 and West Coast Code Consultants, Inc. in an Amount Not to Exceed \$450,000 to Perform Off-Site Building Permit Plan Review Services

BACKGROUND: The Community and Economic Development (CED) Department has utilized professional services consultants on an as-needed basis for building services. The Building division provides public services such as building inspection, permit assistance, permit processing, plan review, and public service counter assistance.

In March 2021, The City issued a request for proposal (RFP) for a competitive solicitation to identify best suited firms to provide expertise for Public Works, Building, and Planning on-call development services. Throughout the fiscal year, fluctuations in service demand have occurred based on project volume, staffing levels and the number of permit applications received. In April 2021, CED received 12 proposals from building and planning consulting firms. Staff reviewed the proposals and determined six firms to have satisfactorily met the specific need for on-call building services. The qualified firms selected by the City include 4LEAF, Inc., Bureau Veritas, CSG Consultants, Inc. (CSG), Interwest Consulting Group, True North Compliance Services, Inc. (True North), West Coast Code Consultants, Inc. ("WC3"). At this time, staff has selected CSG, True North, and WC3 as the most qualified and available firms to provide on an as-needed basis for building services. At this time, these firms have established services with the City and have capacity to perform the services.

At the City Council meeting on July 26, 2022, staff provided an update on the current Community and Economic Development Department services staffing and service agreements, as approved in the Fiscal Year 2022-23 Budget. As presented in July 2022, the City has an operational model for building permit plan check and inspections that is a hybrid model. The City Building Division currently has five (5) City staff and utilizes as-needed consultants from three (3) different consulting firms. The consultants provide as-needed plan review and inspection services. There is currently no City staff in house providing plan check services.

DISCUSSION: The Building Division utilizes professional services consultants on an as-needed basis for off-site plan review services. Many of the services performed by the Building Division are on a cost recovery or user fee basis, based on current rates in the Master Fee Schedule. The revenues generated for these fees are used to offset the City's labor, materials, and professional service costs.

Historically, the off-site plan review service costs were deposited into and then paid from the revenue account. However, to align with the local government accounting principles, a budget amendment was approved by the City Council on November 8, 2022 to establish separate expenditure and revenue accounts for these services. Currently, the City has active agreements for off-site plan review services with WC3 for \$1,000,000 and CSG for \$1,000,000. The active agreements include language to process the Consultant invoices through the revenue account. To align with standard accounting principles and the budget amendment, staff is requesting City Council's consent on an updated agreement to be processed from the Building Division's professional services expenditure account.

The total agreement valuation for WC3 is larger than other firms due to the ongoing and increased plan review services with YouTube developments, Recreation and Aquatics Center, and other current development projects. WC3 is currently reviewing building permits for these large projects, and it would not be cost-effective nor efficient to reassign these plan reviews to a different firm mid-project. If the proposed agreements are approved by the City Council, staff will diversify plan review services by utilizing True North to provide these services. Due to a lack of a current agreement, True North has not been involved with ongoing projects and therefore has a lower agreement amount for the remainder of the current fiscal year. In addition to off-site plan review, the City will initiate as-needed plan review services by True North offered by appointment in person.

A third plan review consultant, CSG will be also be routed permits for review but at a lower agreement level (\$50,000) due to a current lack of capacity for the work. The agreement with CSG is not included in this report or associated resolution because the agreement valuation is below the City Council approval authority.

During the remainder of the fiscal year, staff will be assessing the demand for services performed through outside firms and reallocate the agreement budgets for FY 2023-2024 as needed to diversify the consultant pool.

FISCAL IMPACT: The total expenditure amount proposed for the agreement WC3 is \$450,000 and \$285,000 for True North. The expenditure budget for the agreements was approved with the first quarter FY2022-23 budget amendments on November 8th, 2022. The City Council took action to increase the projected revenue by \$785,000 and appropriation of \$785,000 in Building Division's Professional Services expenditure account to pay for consultant off-site plan check services. The expenditure budget for the agreements is fully recoverable by the collected plan review fees from permit applicants.

ENVIRONMENTAL IMPACT: The action is not a project subject to CEQA. City Council's action is not considered a "Project" per CEQA Guidelines and therefore no further environmental analysis is required.

RECOMMENDATION: Adopt a Resolution authorizing the City Manager to execute agreements with True North Compliance, Inc. in an amount not to exceed \$285,000 and West Coast Code Consultants, Inc. in an amount not to exceed \$450,000 to perform off-site building permit plan review services.

ALTERNATIVES: Do not authorize execution of the agreements and direct staff to issue a new request for qualifications for off-site building permit plan review services. This could result in delays in providing plan review services.

ATTACHMENT:

1. Resolution