



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Stephen M. Haase

**SUBJECT: APPROVAL OF CONTRACT
AMENDMENTS FOR PLAN
CHECK SERVICES**

DATE: May 5, 2004

Approved

Date

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Adoption of a resolution authorizing the City Manager to execute amendments to the following Plan Check consultant Contracts: 1) The Phillips Group; 2) Kutzmann & Associates; 3) Linhart, Petersen, Powers Associates; 4) R.K. Associates; 5) Esgil Corporation; to extend the term of the agreements from July 1, 2004 to June 30, 2005; and further to extend the term for such extension periods as determined to be in the City's interest without further City Council action.

BACKGROUND

Each year, the Building Division of the Department of Planning, Building and Code Enforcement (PBCE) enters into contracts to utilize consultant services on an as needed basis to meet the peak demand for plan check services. The use of outside consultants ensures the Building Division can maintain acceptable plan check turn around time for its customers.

ANALYSIS

The Department utilizes contractual plan check services as a "last resort" to supplement its existing staff during peak periods of building activity. These services allow the Department to respond to fluctuations in construction activity and reduce the need to hire or lay off staff. During the economic downturn, the Department has been very judicious in managing its staffing level to meet its customer demand and available permit fee revenue. As a result of this effort, outside plan check services have been sparingly utilized this past fiscal year. Despite this fact, the Department considers it prudent to maintain these contracts as an additional tool to ensure customer service is maintained.

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The Department currently has contracts with five companies that provide contractual plan check services. Each firm possesses expertise that has been established in a particular area of building plan checking. Equally important, each has a strong track record with the City. The Division based its allocation of funds to the companies on their recent commitments and the quality of their work.

To streamline the contract process, four years ago the City Council approved a three-year contract with each of the above-mentioned consultants. A one-year extension of the contracts was adopted by the City Council in 2003 and these contracts expire on June 30, 2004.

The current cumulative maximum compensation for the five contracts is \$390,000. Of this, approximately \$108,000 is still available for services. It is recommended the City Manager be authorized to extend the agreements for an additional year and further to extend the term for such extension periods as determined to be in the City's interest without further City Council action. These funds may be supplemented annually to meet increased demands for plan check services. However, due to the industry conditions, project mix and the reduction in workload the Building Division has experienced over the past three fiscal years outside consultant services have not been fully utilized. No new funds are required to be added to the contracts.

JUSTIFICATION

At the present level of development activity current plan check staffing levels are adequate to maintain targeted service levels to customers. Historically, the Building Division has needed to utilize plan check consultants during the peak construction season (late spring to early fall) to avoid and/or minimize plan check delays and forego the need to add staff on a temporary basis. The use of consultants will be restricted to those occasions when the use of overtime and staff reassignment is no longer able to maintain service levels. Additionally, consultants will be used to cover any sustainable increase in construction activity due to an upturn of the economy until such time as additional staff can be added to the Department. The consultant fund is currently available and no new funds are necessary.

PUBLIC OUTREACH

The development industry supports the use of outside consultants to ensure service levels are maintained.

COORDINATION

This memo was coordinated with the City Attorney's Office and the City Manager's Office.

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COST IMPLICATIONS

No additional funding is requested. Contracts will use funds currently encumbered.

BUDGET REFERENCES

Funds were encumbered from PBCE's 2000-01 and 2001-02 non-personal budgets.

CEQA

Not a project.

STEPHEN M. HAASE, DIRECTOR
Planning, Building and Code Enforcement