

Agenda Report

August 2, 2021

TO: Honorable Mayor and City Council

FROM: Planning & Community Development Department

SUBJECT: AMENDMENT TO CONTRACT NO. 31892 WITH SCOTT FAZEKAS AND ASSOCIATES AND CONTRACT NO. 31893 WITH TRUE NORTH COMPLIANCE SERVICES, INC., TO INCREASE THE TOTAL NOT TO EXCEED AMOUNT FOR EACH THREE-YEAR CONTRACT BY \$1,125,000 FROM \$300,000 TO \$1,425,000 FOR BUILDING AND FIRE PLAN REVIEW SERVICES

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action proposed herein is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) (General Rule); and
2. Authorize the City Manager to amend Contract 31892 with Scott Fazekas and Associates by increasing the contract amount by \$1,125,000 thereby increasing the not to exceed amount from \$300,000 to \$1,425,000 for continued plan review services, for a three-year term;
3. Authorize the City Manager to amend Contract 31893 with True North Compliance Services, Inc. by increasing the contract amount by \$1,125,000 thereby increasing the not to exceed amount from \$300,000 to \$1,425,000 for continued plan review services, for a three-year term;
4. Authorize the City Manager to extend each contract for up to two additional one-year periods not to exceed \$475,000 per year.

BACKGROUND:

The City's Planning & Community Development Department and Fire Department review construction plans for all new construction within the City. The demand for these

services fluctuates over time in response to a variety of factors. To meet peak demand for plan check services, the City has traditionally contracted with multiple outside consultants, on an as-needed basis, to augment internal staff resources which allows for additional flexibility in the distribution of plan check workloads and to meet plan check turn-around times; rather than hiring permanent full-time staff which may not be necessary over a longer period of time.

Following a competitive selection process, on October 19, 2020, the City Council authorized a three-year contract to Scott Fazekas and Associates in the amount of \$300,000; and a three-year contract to True North Compliance Services, Inc. in the amount of \$300,000.

The not to exceed \$300,000 three-year contract amounts were based on the building division significantly reducing the number of plans sent out for consultant review, due to the pandemic, along with the Department's efforts to perform as much work as possible in-house. However, the unanticipated volume of work that has continued through the pandemic and the reduction of plans sent for consultant review has led to a significant backlog for both fire plan review and building plan review. The FY 2022 Operating Budget includes an appropriation of \$1,100,000 for contract services to cover this expense.

Since 2004, the City of Pasadena has awarded five contracts to Scott Fazekas and Associates for plan review services (2004-2008, 2008-2012, 2012-2016, 2016-2020, and 2020-2023), total expended to date on these multiple contracts is \$8,194,557. In 2015, a three-year contract with Scott Fazekas and Associates and CSG was approved for \$1,350,000 and later amended with an increase of \$900,000 for a total of \$2,250,000 over three-years, per consultant. This expense includes plan review consulting services for both building plan review and fire plan review. Prior to October 2020, the City had not contracted with True North Compliance Services, Inc. for plan review services.

Scott Fazekas and Associates and True North Compliance Services, Inc. charge a percentage of the plan review fee collected by the City, the percentage varies based on the valuation of the permit. The City recovers sufficient plan review revenues to cover the contracted expenses, administrative and overhead costs. In FY 2021, \$2,580,446 in Building Plan Review fees was collected via the Building Fund; with \$1,095,361 in Fire Plan Review fees collected via the Building Fund.

Scott Fazekas and Associates and True North Compliance Services, Inc. have provided quality personnel that work effectively under direction of City staff, performing needed plan review in a timely manner. Contracted plan examiners have demonstrated they meet the City's high customer service standard and are readily available to address any questions or concerns. It is beneficial to have contracts in place with two plan review consultants to ensure fluctuating demand does not exhaust the capacity of a single firm; leading to a delay in turnaround for review.

Increase for Building Plan Review Services

It is challenging to predict with certainty the actual usage of plan review services as entitlements are valid for up to three years and it is at the applicants' discretion when approved projects are submitted for building plan review. In FY 2021, of the \$715,000 budgeted for contract plan review services, a total of \$251,611 was expended. In FY 2020, of \$1,135,000 budgeted for contract plan review services, a total of \$603,771 was expended. As of July 20, 2021, approximately \$280,000 has already been expended for contract plan review services; with the current backlog and forecasted trend, there is not sufficient contractual capacity to keep up with the demand.

Since January 2021, a total of 4,755 plan checks were submitted for building and fire plan review (2,407 building plan checks and 2,348 fire plan checks); with 67 of the 4,755 plans received sent out for consultant review. Moreover, between both building and fire, there are currently 166 overdue plan checks due to the backlog. In comparison, in 2019, a total of 3,730 plan checks were submitted for building and fire review, with 877 of the total plan checks being sent out for consultant review.

As such, staff is requesting an amendment to increase each, Scott Fazekas and Associates and True North Consulting three-year contracts by \$1,125,000 thereby increasing the total not to exceed amount for each contract from \$300,000 to \$1,425,000.

COUNCIL POLICY CONSIDERATION:

The proposed contract furthers the City Council's strategic plan goals of ensuring public safety and increasing conservation and sustainability. In addition, the contract award furthers the City's mission to deliver exemplary municipal services.

ENVIRONMENTAL ANALYSIS:

This project is exempt from CEQA review pursuant to CEQA Guidelines Section 15061(b)(3) (General Rule). The contract award is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to the provisions of CEQA.

FISCAL IMPACT:

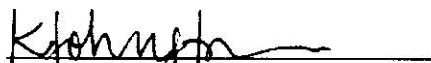
The proposed contract amendments will not have a fiscal impact to the City's General Fund. The proposed contract expense is \$950,000 per year, with the option for two additional one-year extensions. FY 2022 Operating Budget includes \$1,100,000 appropriations in the Building Fund for contract services, and expenses are paid from fees generated to the Building Fund from building and fire plan check revenues.

Respectfully submitted,




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