

# Agenda Report

December 14, 2015

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee

**FROM:** Planning & Community Development Department

**SUBJECT: AMENDMENT TO CONTRACT NO. 30116 WITH SCOTT FAZEKAS AND ASSOCIATES AND CONTRACT NO. 30144 WITH CSG CONSULTING, TO INCREASE THE TOTAL NOT TO EXCEED AMOUNT FOR EACH CONTRACT BY \$900,000 FROM \$1,350,000 TO \$2,250,000 FOR BUILDING AND FIRE PLAN REVIEW SERVICES**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines section 15061 (b) (3), the general rule that CEQA only applies to projects that may have an effect on the environment;
2. Authorize the City Manager to amend Contract No. 30116 with Scott Fazekas and Associates by increasing the contract amount by \$900,000 thereby increasing the not to exceed amount from \$1,350,000 to \$2,250,000 for continued plan review services;
3. Authorize the City Manager to amend Contract No. 30144 with CSG Consulting by increasing the contract amount by \$900,000 thereby increasing the not to exceed amount from \$1,350,000 to \$2,250,000 for continued plan review services;
4. Appropriate \$300,000 from the Building Services Fund to the FY 2016 Planning and Community Development Operating Budget, Account No. 20421011-811500 for expenses related to building plan review services;
5. Appropriate \$300,000 from the Building Services Fund to the FY 2016 Fire Department Operating Budget, Account No. 20431005-811500 for expenses related to fire plan review services; and

6. Authorize the City Manager to extend either or both contracts for up to two additional one-year periods for a not to exceed amount of \$750,000 per consultant, per year, provided all terms and conditions remain unchanged.

### **BACKGROUND:**

The Planning and Community Development Department's Building & Safety Division reviews construction plans for all new construction in the City. The demand for these services fluctuates over time in response to a variety of factors. To meet peak demand for plan review services, the City has traditionally contracted with outside consultants to augment internal staff resources instead of hiring permanent full-time staff, which may not be necessary over a longer period of time.

Following a competitive selection process, on June 22, 2015, the City Council authorized a three-year contract to Scott Fazekas and Associates in the amount of \$1,350,000; and a three-year contract to CSG Consulting in the amount of \$1,350,000. The not to exceed \$1,350,000 three-year contracts were based on an estimated \$450,000 annual expense per consultant. The FY 2016 Operating Budget, includes a \$900,000 appropriation to cover this expense.

Since 2004, the City of Pasadena has awarded four contracts to Scott Fazekas and Associates for plan review services (2004-2008, 2008-2012, 2012-2016, 2016-2018), total expended to date on these multiple contracts is \$3,542,238. The City has not previously contracted to CSG Consulting for plan review services.

Scott Fazekas and Associates and CSG Consulting charge a percentage of the plan review fee collected, the percentage varies based on the valuation of the permit. The City recovers sufficient plan review revenues to cover contracted expenses, administrative and overhead costs.

Scott Fazekas and Associates and CSG Consulting have provided quality personnel that work effectively under direction of City staff, performing needed plan review in a timely manner. Contracted plans examiners have embraced the City's high customer service standard, providing quality counter service to customers; and readily available via email/phone 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, and lead to a delayed 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 plans are submitted for review. In FY 2015, of the \$900,000 budgeted for contract plan review services, a total of \$528,545 was expended. As of November 24, 2015, approximately \$502,000 has already been expended for contract plan review services, per the current trend, there is not sufficient contractual and budget capacity to keep up with demand. The Department's ability to perform plan review services are further

hindered by two plans examiner vacancies in the Building and Safety – Plan Review Unit. It is recommended to take a proactive approach and increase needed capacity, so a deficiency in resources does not result in costly delays for our customers.

It is requested to increase appropriations by \$300,000 specifically for contract building plan review services. In FY 2015, \$2,385,320 in Building Plan Review fees was collected via the Building Fund. As of November 24, 2015, \$1,516,159 in Building Plan Review fees has been collected for FY 2016; revenues are trending to exceed the \$2,052,862 budgeted projection. Revenue history and projections indicate a fiscal capacity to cover the additional \$300,000 in contract expenses and existing budgeted obligations.

### **Fire Plan Review Services**

The existing contracts in place with Scott Fazekas and Associates and CSG Consulting were primarily designated for building plan review services, however, the scope of work also allows for fire plan review services. Funding for fire plan review services was not appropriated in the FY 2016 Operating Budget or calculated into the respective contract amounts.

Currently, fire plan review services are solely performed in-house by one Fire Plans Examiner Supervisor and one Plans Examiner. As the demand for building plan review services has significantly increased in recent years, same has been the case for fire plan review services. Without an appropriation for contract services, the Fire Prevention – Plan Review Unit does not have the resources to keep up with demand and meet the desired turnaround time for plan review.

It is requested to increase appropriations by \$300,000 specifically for contract fire plan review services. The additional resources will allow the Fire Department to provide a timely turnaround and deliver excellent customer service. In FY 2015, \$755,049 in Fire Plan Review fees was collected via the Building Fund. As of November 24, 2015, \$417,229 in Fire Plan Review fees has been collected for FY 2016; revenues are trending to exceed the \$666,279 budgeted projection. Revenue history and projections indicate a fiscal capacity to cover the additional \$300,000 in contract expenses and existing budgeted obligations.

### **SUMMARY**

Staff is requesting \$600,000 in FY 2016 Operating Budget appropriations; \$300,000 for contract fire plan review services and \$300,000 for contract building plan review services. It is also requested to increase each of the Scott Fazekas and Associates and CSG Consulting three-year contracts by \$900,000 thereby increasing the not to exceed amount from each contract from \$1,350,000 to \$2,250,000; this increase equates to an increase of \$300,000 per consultant, per year; and a total estimated expense of \$750,000 per consultant, per year.

**COUNCIL POLICY CONSIDERATION:**

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

**ENVIRONMENTAL ANALYSIS:**

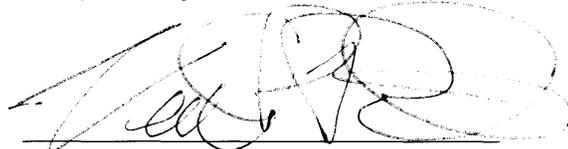
This project is exempt from CEQA review pursuant to State CEQA Guidelines Section 15061 (b) 3. This contract is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is 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 cost of this action will be up to \$3,000,000; this includes the increases to the three-year contracts and the optional two one-year extensions. All costs will be funded via revenues from Building and Fire Plan Review fees. FY 2016 costs for this action will be addressed by an increase in appropriations to account no. 20431005-811500 in the amount of \$300,000; and an increase in appropriations in the amount of \$300,000 to account no. 20421011-811500.

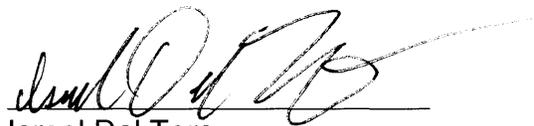
There are no anticipated impacts to other operational programs or capital projects as a result of this action.

Respectfully submitted,



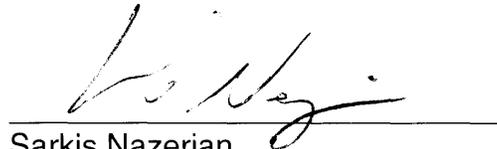
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