



## Legislation Text

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**File #:** 23-037, **Version:** 1

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Adopt a Resolution Approving Amendment No. 2 to the Consulting Services Agreement for Third Party Plan Check Services Between the City of San Leandro and TRB+Associates (to increase the contract by \$487,500 for an amount not to exceed \$800,000) and Approving a Total Amount Not to Exceed \$987,500 for the City's Third Party Plan Check Services Contracts with TRB+Associates and CSG Consultants, Inc., in FY2022-2023

### **COUNCIL PRIORITY**

- Fiscal Sustainability and Transparency
- Community & Business Development

### **SUMMARY**

The FY2022-2023 building permit activity and revenue has exceeded City projections by over 70% as of January 2023, and therefore the contract amount for the City's primary third-party plan check consultant, TRB+Associates (TRB) needs to increase. Third-party plan check consultants provide the City's Building and Safety Services Division (Building) specialized technical assistance in the areas of structural engineering, certified floodplain review, and Certified Access Specialist (CASp) some of which are required by State law to the . They also enable Building to continue providing plan check services in a timely manner and supplement current staffing during this period of significant development activity.

### **RECOMMENDATIONS**

Staff recommends the City Council 1) approve Amendment No. 2 to the Consulting Services Agreement with TRB+Associates (TRB) to increase the existing contract amount by \$487,500, 2) authorize the City Manager to execute Amendment No.2 for a not-to-exceed contract amount of \$800,000 for TRB+Associates, and 3) approve a total not to exceed amount of \$987,500 in FY2022-2023 for both combined third-party plan check contracts.

### **BACKGROUND AND ANALYSIS**

On July 5, 2022, the City Council adopted Resolution No. 2022-113 to approve two FY2022-2023 City consulting services agreements for third party plan check services (one with TRB + Associates and one with CSG Consultants, Inc) totaling \$400,000. The contract with TRB+ Associates was for \$250,000 and the CSG contract amount was for \$150,000. Resolution No. 2022-13 allowed administrative approval of up to 25% of the original contract amount. Therefore, the City had authority to amend and change order the TRB contract up to \$62,500 (or 25% of the original contract) without City Council approval. The City can also increase the CSG contract by \$37,500 administratively, which the City is anticipating in the next couple of months given the high volume of permit applications that CSG is reviewing in FY2022-2023.

In addition to recommending the City Council approve Amendment No. 2 for TRB tonight, City staff is also recommending that City Council approve a total not to exceed contract amount of \$987,500 for

the combined TRB and CSG contracts. The \$987,500 reflects the original \$400,000 total contract cap plus the administrative change orders of up to \$100,000 for both contracts plus the Amendment No. 2 increase requested tonight of \$487,500 for TRB.

The costs incurred by TRB and CSG are fully cost recoverable for the City in that they are charged directly to building permit applicants based on time, an hourly rate and listed annually in the City's Master Fee Schedule. Building will amend and increase its third-party plan check contracts only if permit applicants have paid proportionate fees directly to the City. Reviewing building permits is an essential local government function, therefore localities must fund and maintain this public service.

**Previous Actions**

Amendment No. 1 to the original \$250,000 contract for TRB was administratively approved by the City Manager in December 2022 to increase the budget by 25% or \$62,500 to up to \$312,500.

**Legal Analysis**

The Resolution and Amendment No. 2 to the Consulting Services Agreement with TRB+Associates were reviewed by the City Attorney and approved as to form.

**Financial Impacts**

This Amendment No. 2 will cost \$487,500 but will generate a like amount of building permit fee revenues, which will offset the cost. The Building Division will require Council appropriation for Fiscal Year 2022-2023 to increase building permit revenues in Account 010-3301 and expenditures in Account 010-42-002-5120. The original \$500,000 (\$400,000 plus \$100,000), or 25% in administratively allowed change orders, was approved by City Council in the FY2022-23 City budget. Specific Council action required to enact Amendment No. 2 are as follows:

- Increase revenue appropriation in Account 010-3301: \$487,500
- Increase expenditure appropriation in Account 010-42-002-5120: \$487,500
- Total \$ -0-

**ATTACHMENT**

**Attachment A:** Resolution Approving Amendment No. 2 to the CSA for Third Party Plan Check Services Between the City of San Leandro and TRB+Associates and Approving a Total Amount Not to Exceed \$987,500 for the City's Third-Party Plan Check Services Contracts with TRB+Associates and CSG Consultants, Inc.

- *Ex A1: Amendment No. 2 to the TRB+Associates CSA*

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