



## Agenda Report

21-267

Agenda Date: 2/23/2021

### REPORT TO COUNCIL

#### **SUBJECT**

Action to Amend the following Consultant Agreements for Plan Check Review and Field Inspection Services for City Projects:

- 1) TRB+Associates
- 2) West Coast Code Consultants (WC3)
- 3) Shums Coda Associates
- 4) Jason Addison Smith Consulting Services, Inc. (JAS Pacific)
- 5) Plan Review Consultants, Inc. (PRC, Inc.)
- 6) Synergetic Consulting

#### **COUNCIL PILLAR**

Deliver and Enhance High Quality Efficient Services

#### **BACKGROUND**

The Community Development Department's Building Division (Division) continues to experience record levels of permit, plan review and inspection activity in residential and commercial developments. There is an overwhelming demand put upon the Division to provide a far greater number of permits, plan review and inspection services compared with historic development activity.

Notably, in December of 2019, the Division received a large number of new permit submittals, representing a total of over \$1.0 billion in valuation, which continue to work through the permit process. Large-scale developments submitted in 2020 included a 3.1 million sq. ft. 1,565 residential unit project, a 152,000 sq. ft. hotel, a 45,000 sq. ft. retail project and a 650,000 sq. ft. 580 residential unit project. High activity levels continue and permit activity for the first part of FY 2020/21 exceeds the same period in FY 2019/20. From July to December 2020, the Division collected approximately \$8.2 million in revenue, equivalent to 63% of the revenue projection for the entire fiscal year.

Upcoming activity will include building permits for the Related Santa Clara project which are not reflected in the current activity or revenue levels. New data center buildings, multi-family mixed-use buildings, and several large Tenant Improvement projects will be submitted in the next couple of months this fiscal year. Many large projects with permit valuations greater than \$1.0 million were submitted during the first week of January 2021; as a result, the Division's valuation from January 4<sup>th</sup> to January 9<sup>th</sup> alone is \$147,803,447.

#### **DISCUSSION**

Additional resources are necessary to process the current workload both to address current vacancies and the current surge in permit activity. Currently, response times for project plan review have increased from two weeks to up to 10 weeks or more, resulting in the Division not meeting

customer service response time goals. While the Division is continuing to recruit to fill vacant positions, use of contract services is a key strategy to cover workload demand resulting from both surges in activity and position vacancies. The Division accordingly outsources projects for plan check and inspection services to various third-party consultant firms. Use of outside consultants allows the Division to deliver efficient, quality customer service to the community in a timely manner.

The Proposed Agreement would include the following consultant firms for plan review and inspections:

- 1) TRB+Associates
- 2) West Coast Code Consultants (WC3)
- 3) Shums Coda Associates
- 4) Jason Addison Smith Consulting Services, Inc. (JAS Pacific)
- 5) Plan Review Consultants, Inc. (PRC, Inc.)
- 6) Synergetic Consulting

The City conducted a Request for Qualifications process and entered into agreements with twelve consultant firms in November 2019, including JAS Pacific. JAS Pacific is included in the current proposal to amend the terms of the City's agreement with them specifically to increase the amount of the agreement for plan review and inspections. The other first included in this list have longer standing contractual relationships with the City that would be continued through the Proposed Agreement.

A transfer of funds for these contracts was included and approved as part of the operating amendments in the FY 2020/21 and FY 2021/22 Adopted Capital Improvement Program Budget. These costs are covered by permit fees collected by the Division which are then used to fund the contract services in lieu of regular City staff costs.

The Division is now seeking approval to extend the expiration term of each of the six agreements for four more years (through October/November 2024) and increase the overall contract not to exceed amount. Rather than assign each contract with its own not to exceed amount, staff is proposing to use a maximum aggregate cap amount for all six firms. The aggregate cap shared by all six firms would allow staff the freedom to select consultants who are best suited for projects (in terms of turnaround time and expertise) without being limited by individual not to exceed amounts. This is particularly important as the current high levels of construction activity are not limited to Santa Clara and there is a general shortage of qualified personnel to conduct building permit related activities.

The Building Division operates based upon a 100% cost recovery model with permit fees intended to cover the full costs of service delivery. The costs of these consultant contracts would be fully absorbed within the current budget utilizing either the amount budgeted for contract services, savings that result when costs do not reach budgeted levels (e.g., salary savings from vacant positions) and/or money generated by permit fees that exceed budget revenue forecasts. The contract services to be provided through the contracts is only utilized if there is demand for those services due to permit activity levels.

## **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378 (b)(4) in that it is a fiscal activity that does not involve commitment to a specific project which may result in potential

significant impact on the environment.

### **FISCAL IMPACT**

As part of the FY 2020/21 and FY 2021/22 Adopted Capital Improvement Program Budget process, certain operating amendments were approved, including a \$2.4 million transfer from the Building Inspection Reserves in the General Fund to the Community Development Department's contractual services. This request received final Council approval on June 23, 2020. The funds have since been transferred and are available for use.

The Division will monitor each contract and ensure that the total compensation shall not exceed an aggregate maximum of \$2.4 million for the six plan review and inspection agreements.

### **COORDINATION**

This report has been coordinated with the Finance Department and City Attorney's Office.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>>.

### **RECOMMENDATION**

Approve and authorize the City Manager to execute the following six Amendments to extend the termination dates to November 30, 2024, for a maximum aggregate compensation not to exceed amount of \$2.4 million across all six agreements:

Amendment No. 1 to the Agreement for Professional Services with Jason Addison Smith Consulting Services, Inc. (JAS Pacific);  
Amendment No. 3 to the Agreement for Professional Services with Plan Review Consultants, Inc. (PRC, Inc.);  
Amendment No. 4 to the Agreement for Professional Services with Shums Coda Associates;  
Amendment No. 1 to the Agreement for Professional Services with Synergetic Consulting;  
Amendment No. 4 to the Agreement for Professional Services with TRB + Associates, Inc.; and  
Amendment No. 2 to the Agreement for Professional Services with West Coast Code Consultants, Inc. (WC3)

Reviewed by: Andrew Crabtree, Director, Community Development Department

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Amendment No. 1 to the Agreement for Professional Services with Jason Addison Smith Consulting Services, Inc. (JAS Pacific);
2. Amendment No. 3 to the Agreement for Professional Services with Plan Review Consultants, Inc. (PRC, Inc.);
3. Amendment No. 4 to the Agreement for Professional Services with Shums Coda Associates;

4. Amendment No. 1 to the Agreement for Professional Services with Synergetic Consulting;
5. Amendment No. 4 to the Agreement for Professional Services with TRB + Associates, Inc.
6. Amendment No. 2 to the Agreement for Professional Services with West Coast Code Consultants, Inc. (WC3)