



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 17-0974, Version: 1

REPORT TO COUNCIL

SUBJECT

Authorize Amending Existing Contracts for Building Plan Check and Inspection Services (F18-034) and Approve Budget Modification No.19

REPORT IN BRIEF

Approval is requested to amend existing contracts with Shums Coda Associates, 4Leaf and Municipal Plan Check Services for building plan check and inspection services. The Shums Coda Associates and 4Leaf contract amounts will increase \$201,000 each for a new total not-to-exceed amount of \$300,000 for each contract and the Municipal Plan Check Services will increase \$101,000 for a new not-to-exceed amount of \$200,000 and approve Budget Modification No. 19 in the amount of \$503,000 to fund the contracts. Approval is also requested to delegate authority to the City Manager to amend these contracts, within budgeted funding.

EXISTING POLICY

Pursuant to Chapter 2.08 of the Sunnyvale Municipal Code, City Council approval is required for contracts exceeding \$100,000.

Pursuant to Sunnyvale Charter Section 1305, at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by affirmative votes of at least four members so as to authorize the transfer of unused balances appropriated for one purpose to another, or to appropriate available revenue not included in the budget.

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(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

BACKGROUND AND DISCUSSION

Development activity is currently robust in Sunnyvale and is expected to continue for several more years. This activity reflects the strength of the Silicon Valley economy and Sunnyvale's desirability as a place for business and residential growth. This growth is represented by both new development as well as investments to modernize existing older buildings. While development activity increases, the Building Division has experienced staffing gaps at all levels. In September 2017, there were five vacant positions in the Building division plus a staff member on extended leave. Hiring regular full time staff has been challenging in the current competitive market.

Three consultants for supplemental building division services (plan checking and inspections) were retained in April and September of 2017 under the City Manager's contract authority while

recruitments for filling regular full-time positions are in process. However, there is a significant backlog of plan check reviews and building inspection services. Despite the regular City Building Inspectors working overtime, the use of casual part-time staff and contract services the City goal to offer next day inspections and plan check review within 30 days has suffered. Currently, both services are being delivered two weeks later than the target goal.

The reliance on large amounts of overtime by City staff is not a sustainable model. Expanding the contract services available is the most viable alternative to help close the gap in timely service delivery and reduce the large amounts of overtime in the Division. These additional resources will also provide Building Division employees the opportunity to attend training courses beyond the minimum required for maintenance of required certification, which has been largely limited for the past two years.

Three consulting firms, Shums Coda Associates, 4Leaf and Municipal Plan Check Services, are currently under contract (\$99,000 each) to provide plan check review and building inspection services. Contracting with three consultant firms is important because it allows coverage for either assignment in the event a firm does not have qualified staff available at the time of an assignment.

Based on the experience of the firms and the qualifications of their personnel, staff recommends increasing the not-to-exceed amounts of these contracts as follows: Shums Coda Associates, from \$99,000 to \$300,000; 4Leaf, from \$99,000 to \$300,000; and Municipal Plan Check Services, from \$99,000 to \$200,000. Additionally, staff is requesting the City Manager to have the authority to renew these agreements and increase contract amounts annually, within approved budget funding.

FISCAL IMPACT

Staff is requesting approval of Budget Modification No. 19 to appropriate \$503,000 to project 829761 - Building Permitting - to flexibly respond to the demand for increased services which cannot be accommodated with the existing staff resources.

Because the request for additional resources is related to development activity, staff recommends providing funding from the Development Enterprise Fund Reserve. The Fund was established with the FY 2014/15 Adopted Budget to separately track development related revenues and expenses. Therefore, these costs will be funded by fees paid by users of these services.

Budget Modification No. 19 has been prepared to effectuate the changes discussed above.

Budget Modification No. 19 FY 2017/18

	Current	Increase/ (Decrease)	Revised
Development Enterprise Fund			
<u>Expenditures</u>			
829761 -Building Permitting	\$0	\$503,000	\$503,000
<u>Reserves</u>			
Development Enterprise Reserve	\$18,163,857	(\$503,000)	\$17,660,857

Funding Source

These contracts are funded by the Development Enterprise Fund.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

1) Authorize the City Manager to execute amendments to three (3) existing contracts, increasing the not-to-exceed values for: Shums Coda Associates, from \$99,000 to \$300,000; 4Leaf, from \$99,000 to \$300,000; and Municipal Plan Check Services, from \$99,000 to \$200,000 in substantially the same form as Attachments 1 through 3 to the report; 2) approve Budget Modification No. 19 in the amount of \$503,000; and 3) authorize City Manager to renew these contracts and increase contract amounts annually, within approved budget funding.

Prepared by: Gregory S. Card, Purchasing Officer

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Trudi Ryan, Director of Community Development

Reviewed by: Teri Silva, Interim Assistant City Manager

Approved by: Kent Steffens, Interim City Manager

ATTACHMENTS

1. Draft Amendment to Temporary Personnel Services Agreement - Shums Coda Associates
2. Draft Amendment to Temporary Personnel Services Agreement - 4Leaf
3. Draft Amendment to Temporary Personnel Services Agreement - Municipal Plan Check Services