



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### REPORT TO COUNCIL

#### **SUBJECT**

Authorization to Amend Temporary Personnel Services Agreement with Fire & Risk Alliance, LLC., and Approval of Budget Modification No. 35 in the Amount of \$500,000

#### **REPORT IN BRIEF**

Approval is requested to amend the existing temporary personnel services agreement with Fire & Risk Alliance, LLC for fire protection system plan reviews and inspection services for new construction. The Fire & Risk Alliance, LLC contract amount will increase by \$500,000 to a new not-to-exceed amount of \$875,000.

#### **EXISTING POLICY**

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

#### **ENVIRONMENTAL REVIEW**

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

#### **BACKGROUND AND DISCUSSION**

On February 9, 2016, City Council approved RTC No. 15-0988 appropriating funds to add staff positions in the Departments of Community Development, Public Works and Public Safety to respond to the workload needs for development and environmental review, construction permitting and construction inspections. Additionally, funds were appropriated to support contracts for on-call building inspection and fire inspection services. Two fire protection engineer positions were added to the Department of Public Safety and contracts were executed with 4Leaf, Inc., Jensen-Hughes, Inc. and Fire & Risk Alliance, LLC.

Initial recruitment efforts to fill the two-vacant fire protection engineer positions did not result in the placement of employees and on January 24, 2017, City Council approved RTC No. 16-1022 appropriating additional Development Enterprise Fund Reserves to the temporary personnel service agreements for fire protection system plan review and inspection services for new construction. The following agreements were amended and increased:

1. 4Leaf, Inc. of Pleasanton, from \$75,000 to \$155,000;
2. Fire & Risk Alliance, LLC of Mountain View, from \$175,000 to \$375,000; and
3. Jensen Hughes, Inc. of Walnut Creek, from \$175,000 to \$375,000.

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, Fire Prevention Services has experienced staffing vacancies at all levels. Four of the five authorized fire protection engineer positions are currently vacant and hiring regular full time staff has been challenging in the current competitive market. Without staffing in place, maintaining improved performance and inspection times will not be possible. Public Safety seeks to continue contracted services until vacancies are filled and workload demand stabilizes. Based on Fire & Risk Alliance's experience and qualifications of their personnel, Public Safety is requesting a budget modification of \$500,000 to add funds to their current contract to continue to provide these necessary services.

### **FISCAL IMPACT**

The current agreement with Fire & Risk Alliance, LLC is for \$375,000 and has been fully expended. The department's use of Fire & Risk Alliance, LLC has continued to increase and based on a review of invoices over the last 12 months, staff estimates the need for approximately \$40,000 per month through December 2018. Staff is requesting approval to add \$500,000 to Fire & Risk Alliance's existing contract also accounting for vendor staffing salary increases, bringing the new not to exceed contract amount to \$875,000. Staff recommends additional funding be appropriated from the Development Enterprise Fund Reserve, which accounts for development-related revenues as well as the expenses associated with providing development services. As the Fire Prevention Services Program continues to carry significant vacancies, it is anticipated that this additional appropriation will be offset by savings from these vacancies. The temporary personnel services agreements with Jensen-Hughes and 4Leaf do not require any amendments at this time.

Budget Modification No. 35 has been prepared to appropriate additional funding to the Fire Prevention Services special project for continued supplemental staffing.

#### **Budget Modification No. 35 FY 2017/18**

	<b>Current</b>	<b>Increase/ (Decrease)</b>	<b>Revised</b>
<b><u>Development Enterprise Funds</u></b>			
<b><u>Reserves</u></b>			
Development Enterprise Reserve	\$17,663,857	\$(500,000)	\$17,163,857
<b><u>Expenditures</u></b>			
Project 829751 - Fire Prevention	\$830,000	\$500,000	\$1,330,000
Construction-Related Permitting			

### **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) Approve Budget Modification No. 35 in the amount of \$500,000 in Development Enterprise Fund Reserves to provide additional funding for fire protection system plan review and inspection services; and 2) authorize the City Manager to execute a fourth amendment, in substantially the same form as Attachment 1 to the report, to increase the not to exceed contract amount for the existing temporary personnel services agreement with Fire & Risk Alliance, LLC. from \$375,000 to \$875,000.

Prepared by: Gregory S. Card, Purchasing Officer  
Reviewed by: Timothy J. Kirby, Director of Finance  
Reviewed by: Phan S. Ngo, Director of Public Safety  
Reviewed by: Teri Silva, Interim Assistant City Manager  
Approved by: Kent Steffens, City Manager

### **ATTACHMENTS**

1. Draft Fourth Amendment to Temporary Personnel Services Agreement - Fire & Risk Alliance, LLC.