

**Meeting Date:** 6/16/2015

**Report Type:** Consent

**Report ID:** 2015-00563

**Title:** Increase Spending Authority for On-Call Plan Review and Permit Services

**Location:** Citywide

**Recommendation:** Pass a Resolution 1) rescinding Resolution 2014-0256 adjusting the FY2014/15 revenue and expenditure budgets for Building Plan Check Division; 2) authorizing the City Manager to adjust FY2014/15 revenue and expenditure budgets for the Building Plan Check Division (21001212), not-to-exceed \$1.241 million, based on actual building permit revenues received; 3) amending Resolution 2015-0032, Section 3 to add a provision to section 3 that total expenditures for all five contractors shall not exceed \$1.5 million for Fiscal Year 2014/15.

**Contact:** Frances Chong, Program Manager (916) 808-5010; Winfred DeLeon, P.E., Acting Chief Building Official, (916) 808-5475, Community Development Department

**Presenter:** None

**Department:** Community Development Dept

**Division:** Building Plan Check

**Dept ID:** 21001212

**Attachments:**

1-Description/Analysis

2-Resolution

3-Attachment 1

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### **City Attorney Review**

Approved as to Form

Paul Gale

6/10/2015 7:35:51 AM

### **Approvals/Acknowledgements**

Department Director or Designee: Candace Noguchi - 6/1/2015 3:19:14 PM

## Description/Analysis

**Issue Detail:** The Community Development Department requests additional budget authority in the amount of \$500,000 necessary for on-call permit and plan review services for Fiscal Year (FY) 2014/15. The current budget authority is \$1 million. The request of an additional \$500,000 will bring the budget authority to \$1.5 million for FY2014/15.

Over the past four months, the volume of development projects submitted to the City has been higher than anticipated. Workload has increased and has exceeded the anticipated estimates for the current fiscal year. There is a need to continue and increase plan review services from consultants to augment city plan review staff. Although CDD has been authorized to hire additional staff to assist with plan review services, those new staff have yet to be hired.

It is also anticipated that there will be a continued increase in the amount of development projects for FY2015/16 (see attachment #1 - Construction Valuation and Number of Permits). CDD will need to continue the use of consultants to augment current city plan review staff. As staff is added, the necessity to utilize consultants will be reduced. While staff is working on the recruitment and hiring process, it will take some time to complete the process and train new employees.

**Policy Considerations:** This request to adopt the attached resolution and approve the motion is in compliance with California Government Code 65943, which specifies 30 days maximum time for complete plan submittal verification; and California Health and Safety Code 19837, which specifies 50 days maximum for cycle one response for structural building safety plan review; and 60 days maximum for re-submittals of plan review.

**Economic Impacts:** None.

**Environmental Considerations:** This project is exempt from California Environmental Quality Act (CEQA) because the contract approval is a continuing administrative activity for the City. (CEQA Guidelines §15378(b)(2)).

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** Additional on-call plan review and inspection consultant services are needed to augment staffing levels for the additional anticipated upcoming projects. By utilizing consultant services we will be able to respond to peaks in activity, as needed.

**Financial Considerations:** One time funding for the additional contract amounts of will be supported by fees collected from development projects, the Development Services Fund (Fund 2016), or from the Community Development operating budget. There will be no additional impact to the City's General Fund.

Pursuant to Resolution 2014-0256, the Community Development Department may adjust revenues and expenditures for the Building Plan Check Division (21001212) to actual revenue

received in an amount up to \$741,000. It is requested to adjust revenues and expenditure budgets for an additional \$500,000 for a total of \$1,241,000. The existing FY2014/15 operating budget for consultant work in the Building Plan Check Division is \$259,000. If the revenues are able to be fully adjusted, this would provide a not-to-exceed expenditure authority of \$1.5 million in FY2014/15 for consultants.

**Local Business Enterprise (LBE):** Due to a small number of local consultants who can provide the needed services, staff requested a LBE Participation Waiver to ensure competitive bidding in the best interests of the City. The Economic Development Department approved a waiver of the LBE participation requirement for the RFP. Of the five selected consultants, 4Leaf, Inc. and Bureau Veritas North America, Inc. both met the LBE qualifications.

**RESOLUTION NO. 2015-XXX**  
**Adopted by the Sacramento City Council**  
**June XX, 2015**

**ADJUST THE COMMUNITY DEVELOPMENT DEPARTMENT BUILDING PLAN  
CHECK DIVISION EXPENDITURE AND REVENUE BUDGETS BASED ON ACTUAL  
BUILDING PERMIT REVENUES RECEIVED**

**BACKGROUND:**

- A. A budget of \$259,000 has been established in the FY2014/15 operating budget for consultant work in the Building Plan Check Division. CDD funding for these services is primarily based on actual building permit revenues received. Budgetary adjustments may be necessary as development increases.
- B. On July 29, 2014, City Council approved an adjustment to the FY2014/15 revenue and expenditure budgets for the Building Plan Check Division (21001212) not to exceed \$741,000, based on actual building permit revenues received.
- C. On February 10, 2015, City Council passed a resolution approving supplemental agreements for five consultant contracts for on-call plan review, field inspection and permit processing services and the resolution approving the supplemental agreements provided that total expenditures for all five contractors shall not exceed \$1 million in any given fiscal year.
- D. Additional on-call consultant services are needed due to the volume of development projects submitted to the City being higher than anticipated. Workload has increased and has exceeded the anticipated estimates for the current fiscal year.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

- 1. Rescind Resolution #2015-0256, which adjusted the FY2014/15 revenue and expenditure budgets of \$741,000 for Building Plan Check Division (21001212).

2. The City Manager is authorized to adjust FY2014/15 revenue and expenditure budgets for the Building Plan Check Division (21001212) not-to-exceed \$1.241 million based on actual building permit revenues received.
3. Amend Resolution #2015-0032, by adding a provision to Section 3 that the total expenditures for all five contractors shall not exceed \$1.5 million for Fiscal Year 2014/15. All other terms in Resolution #2015-0032 shall remain the same.

### Attachment 1 - Total Construction Valuation and Total Permits by Fiscal Year

