

**Meeting Date:** 1/12/2016

**Report Type:** Consent

**Report ID:** 2016-00014

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

**Location:** Citywide

**Recommendation:** Pass a Resolution authorizing the City Manager to adjust FY2015/16 General Fund revenue and expenditure budgets for the Building Plan Check Division (21001212) by an amount not-to-exceed \$540,500.

**Contact:** Susanne Cook, Administrative Analyst, (916) 808-5375; Winfred DeLeon, P.E., 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-Chart of Total Construction Valuation and Total Permits by Fiscal Year

3-Resolution

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**City Attorney Review**

Approved as to Form

Paul Gale

1/4/2016 2:28:51 PM

**Approvals/Acknowledgements**

Department Director or Designee: Candace Noguchi - 12/28/2015 1:33:14 PM

## **Description/Analysis**

**Issue Detail:** The Community Development Department requests additional budget authority in the amount of \$540,500 necessary for on-call permit and plan review services for Fiscal Year (FY) 2015/16. Due to an increase in projected workload for the current fiscal year (see Attachment 1), there is a need to continue and increase plan review services from consultants. Although the department has been authorized to hire additional staff to assist with plan review services, it will take some time to complete the new-hire process and to train the new employees. The request of an additional \$540,500 would bring the budget authority to \$1 million for FY2015/16.

**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)).

**Sustainability:** Not applicable.

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

**Rationale for Recommendation:** Agreement 2014-0699 established the list of on-call plan review and inspection consultant services. 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 to keep response times in line established performance measures.

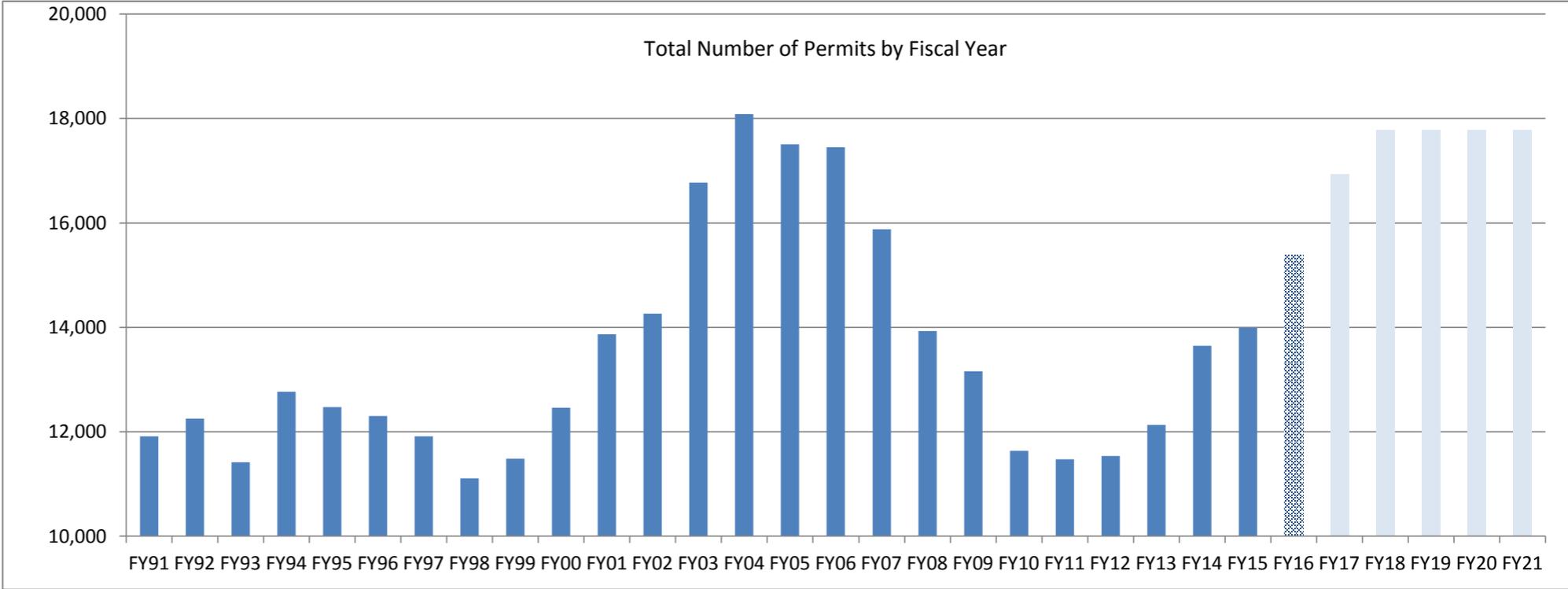
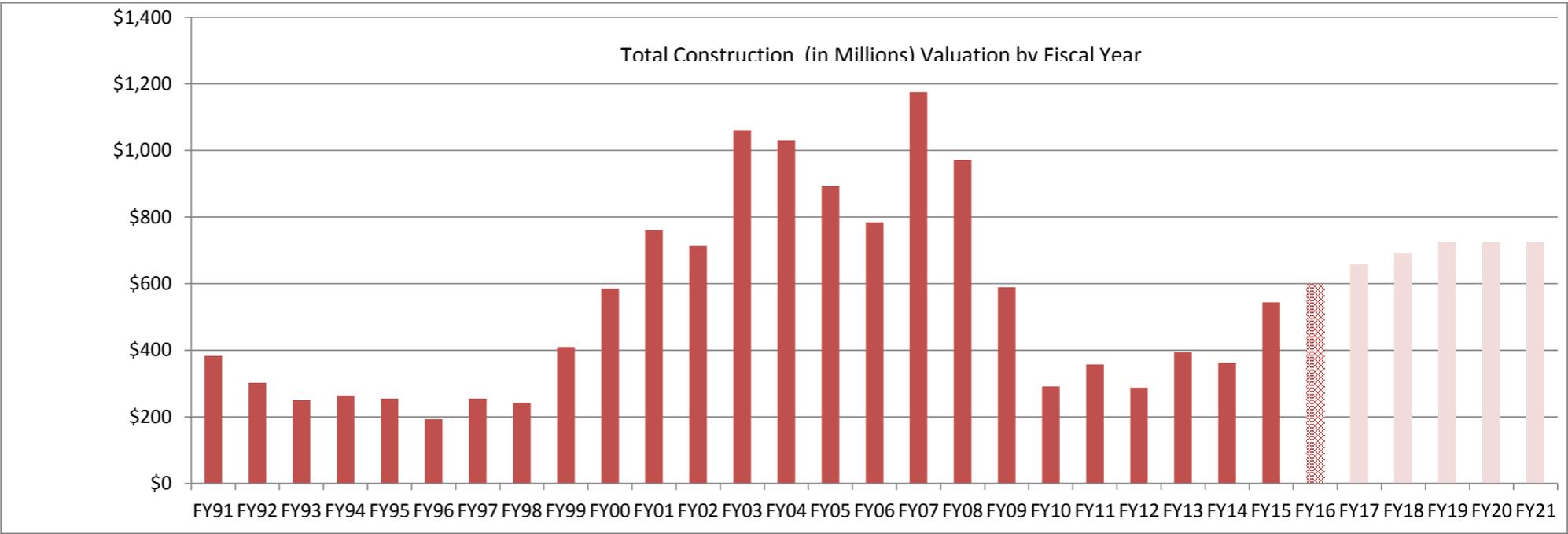
**Financial Considerations:** An operating budget of \$459,500 in the Building Plan Check Division (21001212) for consultant work was established as part of the Adopted FY2015/16 Budget. Since funding for these services is primarily based on actual building permit revenues received, it is requested to adjust revenues and expenditure budgets for the Building Plan Check Division, once revenues have been received, in an amount up to \$540,500. This would provide a not-to-exceed expenditure authority of \$1 million in FY2015/16 for consultants. There will be no additional impact to the City's General Fund.

**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 Request for Proposals when identifying on-call consultants. Of the five selected consultants, 4Leaf, Inc. and Bureau Veritas North America, Inc. both met the LBE qualifications.

**Attachment 2 - Total Construction Valuation and Total Permits by Fiscal Year**

Fiscal Year	Building Permits and Construction Valuation	
	Number of Pemsits	Mixed Building Valuation
FY82		158,892,000
FY83		213,701,000
FY84		331,840,000
FY85		420,130,000
FY86		484,303,000
FY87		432,396,000
FY88		370,529,000
FY89		515,279,000
FY90		452,798,000
FY91	11,911	382,800,000
FY92	12,252	302,500,000
FY93	11,419	250,600,000
FY94	12,765	263,564,592
FY95	12,473	255,104,729
FY96	12,302	193,245,162
FY97	11,911	254,980,239
FY98	11,110	241,888,697
FY99	11,486	409,352,598
FY00	12,458	585,694,464
FY01	13,866	760,921,906
FY02	14,262	713,635,614
FY03	16,771	1,061,611,863
FY04	18,082	1,030,567,731
FY05	17,507	892,851,032
FY06	17,446	784,726,611
FY07	15,877	1,175,429,348
FY08	13,930	972,002,348
FY09	13,156	589,577,284
FY10	11,635	291,192,890
FY11	11,471	357,886,623
FY12	11,536	287,395,255
FY13	12,136	394,455,502
FY14	13,650	362,149,594
FY15	13,993	543,761,463
FY16	15,392	598,137,609
FY17	16,932	657,951,370
FY18	17,778	690,848,939
FY19	17,778	725,391,386
FY20	17,778	725,391,386
FY21	17,778	725,391,386



Estimated 10% increase  
 Estimated 10% increase  
 Estimated 5% increase  
 Estimated 5% increase  
 Estimated 5% increase  
 Estimated 5% increase

**RESOLUTION NO. 2016-XXX**  
**Adopted by the Sacramento City Council**  
**January 12, 2016**

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

**BACKGROUND:**

- A. An operating budget of \$459,500 has been established in the Building Plan Check Division (21001212) for consultant work for FY2015/16. Funding for the consultant services is primarily based on actual building permit revenues received. Budgetary adjustments may be necessary as development increases.
- B. 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. The resolution approving the supplemental agreements provided that total expenditures for each contractor shall not exceed \$1 million for the term of their contract.
- C. 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:**

- Section 1. The City Manager is authorized to increase the FY2015/16 General Fund revenue and expenditure budgets based on the actual building permit revenues received for the Community Development Department Building Plan Check Division (21001212) by a not-to-exceed amount of \$540,500 for a total of \$1 million.