



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: NOVEMBER 14, 2023

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: LISA BRINTON, DIRECTOR

THROUGH: ANGELINE ANZINI, CHIEF BUILDING OFFICIAL

BY: YAZMIN OCHOA-FLORES, ADMINISTRATIVE ANALYST

TITLE: AMENDMENT NO. 1 TO AGREEMENT FOR PROFESSIONAL SERVICES WITH CSG CONSULTANTS, INC.

RECOMMENDED MOTION:

A motion to approve a resolution authorizing the Mayor to execute Amendment No. 1 to the Agreement for Professional Services with CSG Consultants, Inc. to increase the total not to exceed compensation amount to \$750,000.

EXECUTIVE SUMMARY:

The Permit Services Division relies on outside technical professionals to assist with plan review, permitting and inspection services. Contracting for these services allows for the scaling up of experienced technical staffing to be able to respond in a timely manner to increases in the number of development applications due to economic growth, particularly for major, more complicated development projects. The proposed Amendment No. 1 to the Agreement with CSG increases the not to exceed compensation amount of \$250,000 to \$750,000 for Fiscal Year 2023-2024, an increase of \$500,000. Funding for Amendment No. 1 will be fully covered through the Permit Services Enterprise Fund using plan check and inspection fees collected prior to requesting CSG services.

BACKGROUND:

Since 2020, the Permit Services Division has contracted with CSG Consultants, Inc. to augment the plan review, permitting, and inspection capacity of the Permit Center. CSG has extensive knowledge and experience in providing technical services to building departments in multiple jurisdictions in California. The firm provides services and staff specifically tailored to manage the development process and all levels of plan review, permitting, and inspection services. All contract staff hold the required certifications to conduct the assigned duties. The Permit Center has utilized CSG for projects such as the Love's Travel Center, the Parkside Phase 1 affordable housing project, North Salinas Valley Mosquito Abatement District Facility, and Chick-Fil-A at Northridge Mall.

Since entering into the 2023-2024 Agreement with CSG, multiple large and complex development applications have been submitted including a Rail Extension permit valued at \$18,000,000; a Kaiser Clinic permit valued at \$16,000,000; a Storage Warehouse permit valued at \$4,750,000; a new Starbucks at Northridge Mall valued at \$1,200,000; among several other multi-million-dollar projects. Large and complex projects pose the greatest issue of balancing staff time between focusing on those more complex tasks, while still providing the required customer service for the smaller, routine projects. Due to limited staffing resources and position vacancies, additional outside professional services are needed to review, process, and inspect these permit applications in a timely manner. The Permit Services Division has several position vacancies that directly and significantly affect the permitting process. These vacancies include a Senior Plan Check Engineer, a Plan Check Engineer, and a Combination Building Inspector I.

Amendment No. 1 will allow the Permit Center to use CSG technical staff and services to address Permit Center staffing shortfalls and the current increase in workload. The CSG services are billed on a time and materials basis, according to the rates of compensation set in Exhibit B to the Agreement, Attachment 3 to this report. Exhibit C, Attachment 4 contains an estimate of the additional services required. Because CSG has been providing permitting services in Salinas for years, its contract staff has knowledge of the City and our customer base and therefore, are able to provide more efficient plan review, inspection, and enhanced customer service. Contracting with new companies would require additional staff training and would be more expensive. While staff is always searching for local preferred providers, there are currently no vendors within the City of Salinas or the County of Monterey that can perform this level of work.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

The use of contract technical staff and services supports City Council’s goals of Economic Development by augmenting Permit Center operations to facilitate the plan review, permitting, and inspection of multiple large projects. Ease of permitting for businesses encourages and helps develop a diverse and thriving economy, and supports small, large, and entrepreneurial businesses the City.

DEPARTMENTAL COORDINATION:

This report and Amendment No. 1 were prepared by the Community Development Department Permit Services Division, in collaboration with the City Attorney’s Office and the Finance Department.

FISCAL AND SUSTAINABILITY IMPACT:

There is no direct or indirect cost to the General Fund. The additional cost of \$500,000 for increased CSG staff and services will be fully covered by the collection of plan check and inspection fees through the Permit Center Enterprise Fund, which was established in July 2017.

These fees are collected at the time of building permit application submission or call for inspection and prior to requesting CSG services.

ATTACHMENTS:

1. Resolution authorizing Mayor to execute Amendment No. 1
2. Amendment No. 1 to CSG Agreement for Professional Services
3. 2023-2024 CSG Agreement for Professional Services
4. Estimated Cost of Services from CSG for FY24