



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: FEBRUARY 20, 2018

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: MEGAN HUNTER, DIRECTOR

BY: TERESA KISTLER, REVENUE OFFICER
JOSEPH DESANTE, PERMIT CENTER MANAGER

TITLE: SERVICE AGREEMENTS FOR PROFESSIONAL SERVICE FIRMS

RECOMMENDED MOTION:

A motion to approve a resolution authorizing the City Manager to enter into Professional Services Agreements with CSG Consultants, 4Leaf, Willdan, and Bureau Veritas North America to provide technical permitting and inspection services to the City's Permit Center through the 2018-2019 Fiscal Year.

RECOMMENDATION:

It is recommended that the City Council approve the attached resolution authorizing the City Manager, or his designee, to enter into Professional Services Agreements with CSG Consultants, 4Leaf, Willdan, and Bureau Veritas North America.

EXECUTIVE SUMMARY:

The Community Development Department is seeking authorization to enter into Professional Services Agreements with CSG Consultants, 4Leaf, Wildan, and Bureau Veritas North America in the amount of \$400,000 for each fiscal year to include 17/18 and 18/19. Contract services are necessary due to staff vacancy and increase in caseload because of economic growth. Funding will come from permitting fees and will require the Permit Services Division to be efficient and provide excellent customer service. The strategic use of contractors along with regular staff allows the Division to provide the best service possible. Although the authorization is limited to \$400,000 each year, the Department will only expend the amount needed to provide the service. Therefore, it is likely the amounts spent on contractors will decline over time, especially as vacancies are filled.

BACKGROUND:

The Community Development Department (CDD) has utilized consulting firms to augment the capacity of the Permit Center for many years and continues to have a close working relationship

with these firms. CSG has been contracted with the City since 2000, Willdan since 2007, 4Leaf since 2012, and Bureau Veritas since 2016. These firms have extensive knowledge and experience in providing technical services to building departments throughout multiple jurisdictions in California. The firms provide services and staff specifically tailored to manage the development process and can provide all levels of plan review, permitting, and inspection services. All contract staff hold the required certifications to conduct the assigned duties.

DISCUSSION:

The Agreements with the four consulting groups will allow the Permit Services Division in CDD to be flexible by using contract support to address staffing shortfalls and assist as workload ramps up. Scalable resources are the driver for the Service Agreements and help the Permit Center respond to new applications in a timely manner. The Permit Services Division has been able to fill the Senior Plan Check vacancy; however, we still are seeking to fill a Senior Building Inspector and Building Permit Specialist.

Large and complex projects pose the greatest issue of balancing staff time to focus on those difficult tasks, while still providing the required customer service for the smaller, less complex projects. In order to balance the time and workload, the Division has been able to utilize the contract workforce for projects such as the Mid-Pen Project, Haciendas III, Northridge Mall, and the new mixed-use building on Abbott Street.

The careful use of contract staff allows CDD to stay on top of the ebb and flow of development and stabilize work flow while maintaining city staffing levels. Additionally, the City can assign specific contract staff to focus on certain projects without the loss or the inability to address the normal workload of the Permit Center.

CDD is proposing to renew our Agreements with CSG, Willdan, 4Leaf, and Bureau Veritas because of their expertise and demonstrated ability to provide a full complement of cost effective and efficient services. Because they have been providing permitting services in Salinas for years, their contract staff have knowledge of the City and our customer base and therefore, are able to provide more efficient plan review and inspection and enhanced customer service. Contracting with new companies would require additional staff training and would be more expensive. Moreover, there are no vendors within the City of Salinas or the County of Monterey that can perform this level of work, and while we are always searching for local preferred providers, staff must contract with companies outside of this jurisdiction.

The costs of past service agreements have been \$400,000 for FY 14/15 and \$315,000 for FY16/17. FY 17/18 is budgeted for \$400,000 and FY18/19 will be also be budgeted for \$400,000. In July of 2016, the Permit Services Division was placed into an Enterprise Fund and all fees associated with the cost of services by the proposed agencies are expected to be fully covered within the Fund.

While the current and next year's contract amount is higher than previous years, the City is experiencing and forecasting an increase in permits as compared to previous years. As the workload increases, services will need to be ramped up to complete new work in the timelines required by the City. The City is growing and CDD must be prepared to respond in a timely

manner to foster economic and community growth. Given past history, the Permit Services Division does not anticipate expending the entire budgeted line item, but must be prepared nonetheless.

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 staff supports City Council's goals of Economic Diversity and Prosperity with the objective of Enhancing Permit Center Operations and provides a Safe, Livable Community with the objective of improving Community Development in the City.

FISCAL AND SUSTAINABILITY IMPACT:

The cost incurred from contract staff is covered through the Permit Center Enterprise Fund and no fees are taken from the General Fund or any other accounts. The CDD is currently implementing recommendations, as noted above, that are within the current budget, and include the hiring of essential positions for the full functioning of the Permit Center.

ATTACHMENTS:

Resolution
Consultant Cost Proposals (4)