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City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Planning and Development Services

Meeting Date: December 16, 2024

Report #:2409-3488

TITLE

Approval of Seven Professional Services Contracts C25192617, C24193306 - C24193311, with Safebuilt, LLC, Integrated Design 360, CSG Consultants, Inc., 4LEAF, Inc., True North Compliance Services, Inc., TRB and Associates, Inc., and West Coast Code Consultants, Inc. in the Aggregate Total Not-to-Exceed Amount of \$4,000,000 for On-Call Development Services, Inspection, Plan Review, and Green Building Program Services for a Period of Four Years. CEQA Status: Not a Project.

RECOMMENDATION

Staff recommends that City Council approve and authorize the City Manager or designee to execute the following seven contracts¹ to provide on-call inspection, plan review, and green building program services for a term of four years and an aggregate total amount not-to-exceed \$4,000,000. Seven Professional Services Contracts include: C25192617 with Safebuilt, LLC; C25193306 with Integrated Design 360, LLC; C25193307 with CSG Consultants, Inc.; C25193308 with 4LEAF, Inc.; C25193309 with True North Compliance Services, Inc.; C25193310 with TRB and Associates, Inc.; and C25193311 with West Coast Code Consultants, Inc.

BACKGROUND

The Planning and Development Services (PDS) Department relies on the use of on-call service providers for project-specific expertise and application processing for development activity. In June 2020, the City Council approved² six contracts for on-call inspection and plan review services, totaling \$6 million over a four-and-a-half-year period. In taking this action the department noted it was requesting less contract authority than ultimately needed over shorter

¹ Professional Services Contracts: C25192617 with Safebuilt, LLC; C25193306 with Integrated Design 360, LLC; C25193307 with CSG Consultants, Inc.; C25193308 with 4LEAF, Inc.; C25193309 with True North Compliance Services, Inc.; C25193310 with TRB and Associates, Inc.; C25193311 with West Coast Code Consultants, Inc.; <https://portal.laserfiche.com/Portal/DocView.aspx?id=112400&repo=r-704298fc>

² City Council, June 22, 2020; Agenda Item #13, SR# 11255, <https://www.cityofpaloalto.org/files/assets/public/v/1/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2020/id-11255.pdf>

period of time than previously exercised due to the Covid-19 pandemic. This phased approach continues to be applied for the current set of contracts.

In subsequent years, the contract was twice amended, most recently in November 2023³, to increase the contract limit to \$9.75 million through December 31, 2024. As these on-call contracts are set to expire on December 31, 2024, the City released a Request for Proposals (RFP) to ensure continuity of service in 2025.

ANALYSIS

The proposed on-call contracts have been developed to continue providing essential services while allowing flexibility in project assignments based on expertise and availability. Building and Fire internal staff capacity remains an ongoing consideration. As future needs are evaluated through the annual budget process, opportunities will be explored to reduce reliance on consultants by increasing in-house staff capacity.

Procurement Process

A RFP for the project was posted on the PlanetBids, the City's eProcurement platform, and 742 service providers were notified. The solicitation period was posted for 27 days and 12 proposals were received. The solicitation closed on October 2, 2024. Following a competitive evaluation process of the 12 proposals received, seven (7) service providers were determined to best support the City's needs for inspection, plan review, and green building program services over a four-year term, with the option of two additional one-year terms (that would require subsequent Council approval to execute).

| Table 1: Summary of Request for Proposal | |
|---|---|
| Proposal Description | 192617 On-Call Development Services |
| <i>Proposed Length of Project</i> | 4 years |
| <i>Number of Providers Notified</i> | 742 |
| <i>Number of Proposal Packages Downloaded</i> | 35 |
| <i>Total Days to Respond to Proposal</i> | 27 |
| <i>Pre-Proposal Meeting</i> | None |
| <i>Pre-Proposal Meeting Date</i> | N/A |
| <i>Number of Proposals Received</i> | 12 |
| <i>Proposal Price Range</i> | \$110 to \$390 |
| <i>Public Link to Solicitation</i> | https://procurement.opengov.com/portal/palo-alto-ca/projects/114933 |

The proposals were evaluated and determined to be responsive to the criteria identified in the RFP. Seven proposers were selected because of the quality and effectiveness of their services, the experience of their field staff, prior record of performance with the City, and their ability to provide future services. The PDS Department aims to maintain a single compensation pool, as

³ City Council, November 27, 2023; Agenda Item #10, SR# 2311-2203, <https://cityofpaloalto.primegov.com/Portal/viewer?id=0&type=7&uid=a202e6f2-cf19-425a-bac3-fb2d228938b4>

done previously. Each firm possesses the expertise to provide inspection and plan check services for building, fire, and/or green building; grouping the on-call contracts provides the Development Center with the flexibility needed to efficiently select the vendor best suited for any given project in a timely fashion. On-call providers allow the City to scale services up or down based on workload, staffing levels, technical expertise, and economic conditions. These resources also provide specialized expertise required for policy consideration as it relates to Council priorities.

The scope of services includes inspection, plan review, and green building program support, with an additional focus on new sustainability code development. In alignment with the City's commitment to sustainability, these contracts also include the management, enhancement, and implementation of the Green Building Program and compliance with the City's Sustainability and Climate Action Plan. Specific services include:

- Technical assistance with the City's Green Building and Energy Codes.
- Policy updates between code adoption cycles to reflect mid-cycle amendments.
- Development of new Green Building and Energy Code Reach Codes for FY 2025 and FY 2026.
- Implementation of updated program materials, including policies, templates, and training sessions for staff and the community.

Contract Administration

Staff acknowledge the requested approval provides great flexibility and deference to the management of these professional services with staff. As such, rigorous administration of the contracts will be undertaken to ensure consistency and alignment with project goals. This is particularly important to mitigate the risk of inconsistent feedback to developers when multiple contractors are engaged. The following measures will be implemented:

- Assignment for Project Continuity: For large or complex projects, a single contractor will be assigned to handle all related tasks, ensuring continuity and consistency in feedback throughout the project's lifecycle.
- Standardized Guidance and Training: All contractors will receive standardized training materials, policies, and templates to use when providing feedback.
- Quality Oversight: Staff will regularly review project communications and deliverables to ensure feedback provided by contractors aligns with City standards and expectations.

If approved, as projects arise, staff will develop a scope of work and issue the project to the firm best suited to execute on the work based on the qualifications such as experience, subject area expertise, timeline, and cost. For ongoing management, staff oversee each on-call contract and the associated consultant work through several measures, including:

- Conducting resume reviews to match service provider staff to specific project requirements.
- Issuing individual task orders or work orders with defined project scopes.

- Monitoring and verifying consultant timecards to ensure alignment with project deliverables including quality of work.
- Processing and auditing invoices to confirm appropriate allocation of funds and compliance with contract terms.

The current contract not-to-exceed amount of \$9.75 million has been shared by a group of on-call professionals over a four-and-a-half-year period. Shared work included permit processing, plan check, inspection services, green building, as well as Inspector of Record work related to the new Public Safety Building and the Fire Prevention on-call program services. The proposed contract not-to-exceed of \$4 million over a four-year period reflects a phased approach to contract management providing an opportunity to review spending, assess performance, and return to Council prior to contract lapse to update the not-to-exceed amount and determine whether renewal terms are warranted based on projected needs and evolving City priorities.

FISCAL/RESOURCE IMPACT

Use of consultants for specific assistance is an efficient and effective use of resources, allowing the Development Center to quickly access needed technical skills. The budget for these contracts is included in the PDS Department's adopted budget. The use of contractors for planning work is contingent on (1) approved contracts with capacity to support the required scope; and (2) availability of funding in the Department's approved budget. No budget increase is requested. No work will be assigned to consultants under these contracts unless there is sufficient operating budget to cover the costs.

STAKEHOLDER ENGAGEMENT

Professional planners and managers in the PDS Department participated in the development of this recommendation to support departmental workload. The work associated with these on-call contracts directly supports ongoing City Council priorities, which have been broadly shaped by robust community engagement processes, including workshops, public meetings, and stakeholder feedback.

ENVIRONMENTAL REVIEW

Council action on this item is not a project under the California Environmental Quality Act (CEQA) because the approval of the contract is an administrative activity that will not result in direct or indirect physical changes to the environment. CEQA Guidelines Section 15378(b)(2); 15378(b)(5).

ATTACHMENTS

Professional Services Contracts can be found here:

<https://portal.laserfiche.com/Portal/DocView.aspx?id=112400&repo=r-704298fc>

APPROVED BY:

Jonathan Lait, Planning and Development Services Director