



CITY OF
**PALO
ALTO**

City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Planning and Development Services

Meeting Date: November 27, 2023

Report #:2311-2203

TITLE

Approval of Amendment Number 2 of Six Development Services On-Call Consulting Contracts to Increase the Not-to-Exceed amount by \$3.40 million for a Total Not to Exceed \$9.75 Million Through December 2024 to Provide Expertise for Plan Review and Inspection Services With all Work Subject to Assigned Task Order and Availability of Funds; Environmental Assessment: Exempt in Accordance with CEQA Guidelines Section 15061(b)(3).

RECOMMENDATION

Staff recommends that Council approve and authorize the City Manager or their designee to execute an amendment for the following six contracts. Under the amendment, the total cumulative contract authority for all contracts combined is not to exceed \$9.75 million through December 31, 2024. Use of the contracts must be consistent with the funding available in the adopted budget(s). The contracts are:

- a. C21177994A 4Leaf, Inc.
- b. C21177994B SAFEbuilt LLC
- c. C21177994C Bureau Veritas North America, Inc.
- d. C21177994D Independent Code Consultants, Inc.
- e. C21177994E Shums Coda Associates, Inc.
- f. C21177994F TRB + Associates, Inc.

BACKGROUND

The Planning and Development Services Department uses on-call contracts to provide building and fire inspection and plan check services. On June 22, 2020, the City Council approved six on-call inspection and plan review contracts for a cumulative amount not to exceed \$6.0 million.¹ This amount was determined based on a competitive solicitation process to identify the firms best suited for consultant support as needed. Moreover, given the financial uncertainty at the time, staff requested a reduced initial amount of \$6 million, including negotiated rate reductions, and notified Council that staff would need to return for additional contract authority before the

¹ Development Center On-Call Contracts: <https://www.cityofpaloalto.org/files/assets/public/v/1/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2020/id-11255.pdf>

end of the contract term. This single not-to-exceed compensation pool allows staff to utilize the contract best suited to meet the City's needs.

On November 15, 2021, the City Council approved Amendment Number 1, increasing the cumulative amount to \$6.35 million due to services required for the Public Safety Building for Public Works.

ANALYSIS

On-call contracts provide expert service that is efficient, responsive, and available as needed. Development Services relies on these contracts to provide necessary expertise to meet the fluctuating demand in processing permit applications, performing plan reviews, and conducting inspections.

To allow for continuity of services, staff is returning to the City Council to increase the not-to-exceed amount by \$3.40 million to \$9.75 million. No changes will be made to existing contracted rates. The firms will continue to provide on-call support associated with Building plan review and inspection, Fire plan review and inspection, and Public Works inspections.

To date, the City has spent about \$6.3 million to support Building plan reviews and inspections, Fire plan reviews and inspection, Building permit processing technicians, and Public Works inspector of record services. As a program area requires consultant services, staff will contact on call firms and assign work based on subject matter expertise and the availability of qualified consultants on the bench. Based on analyses of contract utilization and expense trends, staff concludes that it is prudent to increase contract capacity at this time to avoid service disruption. Staff plans to conduct a new procurement for services in 2024.

FISCAL/RESOURCE IMPACT

Use of consultants for specific assistance is an efficient and effective use of resources, allowing the department to quickly access needed technical skills. The cost of the contracts is offset by fees collected by the department for application processing, consistent with the FY 2024 Adopted Municipal Fee Schedule.

The budget for these contracts is contained in the Planning and Development Services and Public Works adopted department budgets. Use of contractors for development services 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.

Staff is not requesting a budget increase. No work will be assigned to consultants under these contracts unless there is sufficient operating budget to cover the costs.

STAKEHOLDER ENGAGEMENT

When the contracts were initially established, staff in the Planning and Development, Fire, and Public Works Departments participated in the development of the selection criteria, drafting of the RFP, review of proposals, and interviewing of top firms. An assessment and discussion were

conducted by an internal panel, leading to contracts selection. Planning and Development Services, Fire, and Public Works staff all utilize these contracts when needing specific expertise.

POLICY IMPLICATIONS

Approval of these awards will allow Planning and Development Services Department to continue meeting service delivery goals established as part of the Development Center Blueprint initiative.

ENVIRONMENTAL REVIEW

Approval of these contracts is not a project under the California Environmental Quality Act (CEQA) and therefore no environmental review is required.

ATTACHMENTS

Attachment A: Contract No. C21177994A with 4Leaf, Inc.

Attachment B: Contract No. C21177994B with SAFEbuilt LLC

Attachment C: Contract No. C21177994C with Bureau Veritas North America, Inc.

Attachment D: Contract No. C21177994D with Independent Code Consultants, Inc.

Attachment E: Contract No. C21177994E with Shums Coda Associates, Inc.

Attachment F: Contract No. C21177994F with TRB and Associates, Inc.

APPROVED BY:

Jonathan Lait, Planning and Development Services Director