



# City of Rialto

## Legislation Details (With Text)

**File #:** 22-823      **Version:** 2      **Name:** Request City Council to (1) Authorize an Increase to the Purchase Order with Fountainhead Corporation for Construction Inspection Services for “On-Call” Construction Inspection Services for an Additional Amount of \$220,000; (2) Authorize an Increase to th

**Type:** Agenda Item      **Status:** Agenda Ready

**File created:** 9/1/2022      **In control:** City Council

**On agenda:** 9/13/2022      **Final action:**

**Title:** Request City Council to (1) Authorize an Increase to the Purchase Order with Fountainhead Corporation for “On-Call” Construction Inspection Services for an Additional Amount of \$220,000; (2) Authorize an Increase to the Purchase Order with Onward Engineering for “On-Call” Construction Inspection Services for an Additional Amount of \$378,465; and (3) Authorize the City Manager to Execute all Documents.  
(ACTION)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Attachment 1 - Fully Executed Agreement-Fountainhead.pdf, 2. Attachment 2 - Fully Executed Agreement-Onward.pdf, 3. Attachment 3 - Disclosure Form - Fountainhead.pdf, 4. Attachment 4 - Disclosure Form - Onward.pdf

Date	Ver.	Action By	Action	Result
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For City Council Meeting [September 13, 2022]

TO: Honorable Mayor and City Council

APPROVAL: Marcus Fuller, City Manager

FROM: Marcus Fuller, Acting City Engineer

Request City Council to (1) Authorize an Increase to the Purchase Order with Fountainhead Corporation for “On-Call” Construction Inspection Services for an Additional Amount of \$220,000; (2) Authorize an Increase to the Purchase Order with Onward Engineering for “On-Call” Construction Inspection Services for an Additional Amount of \$378,465; and (3) Authorize the City Manager to Execute all Documents.

**(ACTION)**

### **BACKGROUND**

An important function of the Engineering Services Department is to perform inspection services related to permitted work within the public right-of-way and City-approved private land development projects. The City Engineer has the responsibility to ensure the construction of public improvements is performed in accordance with City standards and in compliance with City-approved plans.

On April 12, 2022, the City Council approved an on-call agreement with Fountainhead Corporation and Onward Engineering for on-call construction management, inspection, and materials testing

services for an initial 3-year term, with two (2) 1-year optional extensions. At the time the agreement was approved, task orders less than \$100,000 were to be approved by the City Manager and costs over \$100,000 were to be approved by the City Council. A copy of the Professional Services Agreement (PSA) for Fountainhead Corporation is included as **Attachment 1** and a copy of the Professional Services Agreement (PSA) for Onward Engineering is included as **Attachment 2**

**ANALYSIS/DISCUSSION**

Development activity within the Rialto is steadily increasing, with more projects submitted monthly. The Engineering Department currently has two Construction Inspectors to review and coordinate on all encroachment permits within public right-of-way and to coordinate inspection on private development projects. The on-call agreements provide the City with flexibility to expand and contract the number of additional contract inspectors to correspond with the volume of inspections required with private development projects. The number of private development projects proceeding into construction continues to increase, and will require expanding the use of the on-call firms for contract inspectors. The names of the development projects are identified in **Table 1** below.

**TABLE 1 - Land Development Projects**

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PPD NO.	PROJECT
TR 20092	LENNAR HOMES OF CALIFORNIA, LLC.
TR 20205	LENNAR HOMES OF CALIFORNIA, LLC.
TR 20206	LENNAR HOMES OF CALIFORNIA, LLC.
TR 20209	LENNAR HOMES OF CALIFORNIA, LLC.
PPD 2017-0029	WOODLAND PALLETS CORP. - WILLOW STORAGE
PPD 2018-0036	BEYOND FOOD MART, INC.
PPD 2018-0061	POG ENTERPRISES, INC. - RIALTO SHOPPING CENTER
PPD 2018-0062	CHRISTOPHER DEVELOPMENT GROUP, INC. - FOOTHILL GROVE
PPD 2018-0094	RBV INVESTMENT GROUP, LLC. - THE DEPOT
PPD 2018-0104	RENAISSANCE COMMERCE CENTER, LLC.
PPD 2018-0105	PROPERTY PLUS MOBIL, LLC. - CIRCLE K
PPD 2019-0010	PATRIOT DEVELOPMENT PARTNERS, LLC.
PPD 2019-0024	FLYERS ENERGY, LLC.
PPD 2019-0035	PATRIOT DEVELOPMENT PARTNERS, LLC.
PPD 2019-0043	MADRONA REAL ESTATE RIALTO, LLC. - SC FUELS RIALTO
PPD 2019-0050	RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P. BONNIE VIEW
PPD 2019-0057	CDRE HOLDINGS 14, LLC. - I-10 BUSINESS PARK
PPD 2019-0058	OLD DOMINION FREIGHT LINE, INC. - PARKING LOT EXPANSION
PPD 2020-0015	ORBIS REAL ESTATE PARTNERS, LLC. - WAREHOUSE
PPD 2020-0026	DEDEAUX PROPERTIES, LLC. - LILAC AVENUE LOGISTICS BUILDING
PPD 2021-0001	SREF 2020, LLC. - RIALTO SELF SORAGE
PPD 2021-0010	RICHMOND AMERICAN HOMES OF MARYLAND, INC.
PPD 2021-0011	RICHMOND AMERICAN HOMES OF MARYLAND, INC. - SEASONS AT ACACIA
PPD 2021-0013	PILOT TRAVEL CENTER, LLC.
PPD 2021-0020	LORD CONSTRUCTORS, INC.
PPD 2021-0023	AWAD DEVELOPMENT, INC.
PPD 2021-0029	PARAGON COMMERCIAL GROUP, LLC. - DUTCH BROS.
PPD 2021-0029	PCG RIALTO, LLC. - MISTER CAR WASH
PPD 2021-0059	PACIFICA RIALTO, LLC. - RIALTO PHASE II SHOPPING CENTER

The City charges a fee for construction permits to cover the cost of the City’s coordination and inspection on private development projects. The inspections ensure that the construction is in accordance with the approved construction plans for on-site and off-site construction. The fees charges ensure that the costs incurred for contract inspections is recovered.

The City issued \$100,000 purchase orders under the City Manager’s authority to provide on-call contract inspectors for the 2022/2023 fiscal year. Recently, several large private development projects have been issued construction permits and will require the City to assign dedicated contract inspectors to these projects. Staff recommends increasing the Purchase Order issued to Fountainhead Corporation in the amount of \$220,000 and increasing the Purchase Order issued to Onward Engineering in the amount of \$378,465 to account for inspection services required for the construction permits recently issued for the private development projects listed in Table 1.

Copies of Disclosure Statements are included as **Attachments 3 & 4.**

**ENVIRONMENTAL IMPACT**

The requested City Council action is not a “Project” as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a “Project” means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

### **GENERAL PLAN CONSISTENCY**

This action is consistent with Guiding Principle 3A in the General Plan:

*Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.*

### **LEGAL REVIEW**

The City Attorney has reviewed and supports this staff report.

### **FINANCIAL IMPACT**

#### Operating Budget Impact

The on-call agreements for construction inspection services operates on a pass-through basis, whereby the City issues construction permits and collects fees to cover the cost of required inspections. The 2022-2023 Fiscal Year budget appropriated revenue of \$1,300,000 related to public improvement and on-site inspection fees, and appropriated corresponding expenditures. Sufficient funds are budgeted and available in Account No. 010-500-7262-2011.

#### Capital Improvement Budget Impact

There is no impact to the Capital Improvement Budget.

#### Licensing

Fountainhead Corporation and Onward Engineering paid the business license application, business license tax, and fees upon issuance of the initial on-call contract.

### **RECOMMENDATION**

Request City Council to:

- Authorize an Increase to the Purchase Order with Fountainhead Corporation for “On-Call” Construction Inspection Services for an Additional Amount of \$220,000;
- Authorize an Increase to the Purchase Order with Onward Engineering for “On-Call” Construction Inspection Services for an Additional Amount of \$378,465; and
- Authorize the City Manager to Execute all Documents.