



# City of Rialto

## Legislation Details (With Text)

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**Title:** Request City Council to Adopt Budget Resolution No. 7101 and Authorize an Increase to the Purchase Orders (PO) in the amount of \$818,000 for a cumulative PO of \$1,518,000 with Lockwood Engineering Company "On-Call" Civil Engineering Plan Check and Related Engineering Services. (ACTION)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Development Plan Check Current & Forecast List, 2. Budget Resolution - Lockwood

Date	Ver.	Action By	Action	Result
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For City Council Meeting [March 28, 2017]

TO: Honorable Mayor and City Council

APPROVAL: Michael E. Story, City Administrator

FROM: Robert G. Eisenbeisz, P.E., Public Works Director/City Engineer

Request City Council to Adopt Budget Resolution No. **7101** and Authorize an Increase to the Purchase Orders (PO) in the amount of \$818,000 for a cumulative PO of \$1,518,000 with Lockwood Engineering Company "On-Call" Civil Engineering Plan Check and Related Engineering Services. (ACTION)

### **BACKGROUND:**

The Public Works Department prepared Request for Proposals No. 13-027 (the "RFP") to solicit proposals from professional firms to provide civil engineering plan check and related services to the City. The City released the RFP on January 10, 2013. On May 14, 2013, City Council approved the Professional Services Agreement (PSA) with Lockwood Engineering Company ("Lockwood") for "On-Call" Civil Engineering Plan Check and Related Services. The contract term extends until June 30, 2016, with the City's option to extend the contract for two additional one-year terms thus extending the potential expiration date to June 30, 2018.

The initial Purchase Order issued was for \$200,000. There has been an increase in the number of land development projects during the course of the contract causing an increase in the number of plans approved and permits issued within the City. In addition, several applicants for major development projects have requested and paid for expedited plan check services, which results in increased costs that the City recovers from the applicants through an expedited surcharge.

On January 14, 2014, City Council approved an increase to Lockwood’s Purchase Order in the amount of \$262,000 for anticipated Plan Check services needed through the end of Fiscal Year 2013/2014. On May 27, 2014, City Council approved the issuance of a Purchase Order in the amount of \$600,000 for the 2014/2015 fiscal year for “On-Call” Civil Engineering Plan Check and Related Services. Of that \$600,000 total, the City allocated \$350,000 for Plan Check Engineering Services for land development projects; the City allocated \$150,000 for plan check and engineering activities related to various capital projects and the City dedicated the remaining \$100,000 to augment staffing and other related activities such as updating engineering standard plans.

Due to the increase in land development projects, on January 13, 2015, City Council approved an increase to the “On-Call” Civil Engineering Plan Checks and Related Services for private land development projects in the amount of \$300,000, increasing the budget for land development plan checking and related services to \$650,000 for 2014/2015 fiscal year.

On June 9, 2015, City Council approved the issuance of a Purchase Order in the amount of \$900,000 for “On-Call” Civil Engineering Plan Check and Related Services for 2015/2016 fiscal year. Of that \$900,000 total, the City allocated \$650,000 for Plan Check Engineering Services for land development projects; the City allocated \$150,000 to Capital projects and the City allocated \$100,000 to augment staffing and related engineering activities.

On July 12, 2016, City Council approved the issuance of a Purchase Order for \$1,311,634 for “On-Call” Civil Engineering Plan Check and Related Services. Of that \$1,311,634 total, the City allocated: \$700,000 for Plan Check Engineering Services for land development projects; the City allocated \$150,000 to Capital projects and the City allocated \$100,000 to augment staffing and related engineering activities in fiscal year 2016/2017. In addition, the City Council approved an added \$361,634 to meet the needs for increased land development activities that occurred in fiscal year 2015/2016. The associated report is included.

Since the inception of the Lockwood On-Call Engineering Services Contract, the City Council has approved a total amount of \$3,573,634, which consists of \$2,823,634 for development related plan checking activities, \$450,000 for Capital Improvement engineering services and \$300,000 for staff augmentation. The revenue received to offset plan check services is \$3,658,251.63, which includes budgeted revenues for FY2016/2017. See **Table 1** below for a detailed breakdown of services provided by Lockwood.

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**Table 1- Summary of Lockwood Contract**

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Type	Council Approved Date	FY2013/2014	FY2014/2015	FY2015/2016	FY2016/2017	Grand Total
CIP	5/27/2014		\$ 150,000.00			\$ 150,000.00
	6/9/2015			\$ 150,000.00		\$ 150,000.00
	7/12/2016				\$ 150,000.00	\$ 150,000.00
CIP Total		\$ -	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 450,000.00
Staff Augmentation	5/27/2014		\$ 100,000.00			\$ 100,000.00
	6/9/2015			\$ 100,000.00		\$ 100,000.00
	7/12/2016				\$ 100,000.00	\$ 100,000.00
Staff Augmentation Total		\$ -	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 300,000.00
Plan Check	5/14/2013	\$ 200,000.00				\$ 200,000.00
	1/14/2014	\$ 262,000.00				\$ 262,000.00
	5/27/2014		\$ 350,000.00			\$ 350,000.00
	1/13/2015		\$ 300,000.00			\$ 300,000.00
	6/9/2015			\$ 650,000.00		\$ 650,000.00
	7/12/2016			\$ 361,634.00	\$ 700,000.00	\$ 1,061,634.00
Plan Check Total		\$ 462,000.00	\$ 650,000.00	\$ 1,011,634.00	\$ 700,000.00	\$ 2,823,634.00
Grand Total		\$ 462,000.00	\$ 900,000.00	\$ 1,261,634.00	\$ 950,000.00	\$ 3,573,634.00
Plan Check Revenue (Actuals) *		\$ 419,910.50	\$ 846,024.13	\$ 1,152,317.00	\$ 1,240,000.00	\$ 3,658,251.63
Plan Check Revenue Over/(Under)		\$ (42,089.50)	\$ 196,024.13	\$ 140,683.00	\$ 540,000.00	\$ 834,617.63

**ANALYSIS/DISCUSSION:**

In the 2015/2016 fiscal year, over 60 different development projects were subject to plan check review through the "On-Call" agreement with Lockwood. During the current 2016/2017 fiscal year, Lockwood has plan checked over 50 development projects with more projects in the pipeline that will continue to require plan checking review. A majority of the plan checking services are for very large projects that also requested expedited plan checking. Some of these large projects are within the Renaissance Specific Plan Area, including Renaissance Building 5, Monster Energy, and Panattoni logistics centers. The remainder consists of smaller development activities citywide. A detailed list of development plan checking services with projections by end of this fiscal year is included in **Attachment 1**.

The Purchase Order (PO) for development activities approved for this fiscal year is \$700,000. The up-to-date proposal for work required of Lockwood for plan checking services is projected at \$1,040,000, which exceeds the original PO by \$340,000. Furthermore, given the number of development projects in the pipeline, staff estimates an additional \$410,000 is required for the next four months of the fiscal year, for a total amended purchase order of \$750,000 increase, as shown in the **Table 2** below.

**Table 2- Summary of Lockwood Services for FY2016/2017**

Purchase Order	City Council Approved	Current Proposal (Actuals, rounded)	Projection to End of FY	Required Purchase Order Increase
Development Activities, includes staff augmentation	\$ 700,000	\$ 1,040,000	\$ 410,000	\$ (750,000)
Capital Projects, includes staff augmentation	\$ 250,000	\$ 130,000	\$ 188,000	\$ (68,000)
<b>Totals</b>	<b>\$ 950,000</b>	<b>\$ 1,170,000</b>	<b>\$ 598,000</b>	<b>\$ (818,000)</b>

Pursuant to the PSA, Lockwood also provides “On-Call” Engineering Design services for smaller capital improvement projects, throughout the fiscal year, as well as staff augmentation. The professional staff provided as staff augmentation through the Lockwood On-Call agreement includes Lonny L. Young, P.E., Ted C. Rigoni, P.E., and Gene Klatt, P.E. As shown in **Table 2** above, Council approved \$250,000 for “On-Call” Engineering Design services and staff augmentation; an additional \$68,000 is required to support these services to the end of the fiscal year. A list of some of the projects and engineering activities provided by Lockwood are as shown below.

#### **Capital Project Staff Augmentation by Lockwood**

- Bud Bender Park Rehabilitation
- Community Center Fence
- Community Center Exterior Painting
- Permanent Pavement for RUA Street Cuts
- Community Center Rehab Building 200,300,400 and 500 and ADA Improvements
- Fire Station 205 Project
- Master Planning and Design of Cactus-Randall Park
- Master Planning and Design of Frisbie Park Expansion
- Phase I-Parks Facilities (Concession & Restroom Improvements)
- Cactus Trail along Flood Control to Baseline Road
- Phase II- Improvements for seven City Parks
- Police Annex Secure Equipment Storage Facility
- Setting Street Cut Moratorium
- Linden/Renaissance Waterline Relocation
- Senior Center Parking Lot Resurfacing
- Cultural Center & Museum Painting
- Ayala Avenue Widening
- Riverside/ San Bernardino Improvements
- Valley/Cactus Widening

#### **ENVIRONMENTAL IMPACT:**

Engaging design professionals 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.*

Approval of this action also complies with the following City of Rialto General Plan Goals and Polices:

**Goal 3-6: Require that all developed areas within Rialto are adequately served with essential public services and infrastructure.**

**Goal 4-1: Provide transportation improvements to reduce traffic congestion associated with regional and local trip increases.**

Policy 4-1.1: Establish and maintain standards for a variety of street classifications to serve both local and regional traffic, including Major Arterial Highways, Major Arterials, Secondary Arterials, Collector Streets, and Local Streets.

Policy 4-1.20: Design City streets so that signalized intersections operate at Level of Service (LOS) D or better during the morning and evening peak hours, and require new development to mitigate traffic impacts that degrade LOS below that level. The one exception will be Riverside Avenue south of the Metrolink tracks all the way to the City's southern border, which can operate at LOS E.

Policy 4-1.21: Design City streets so that unsignalized intersections operate with no vehicular movement having an average delay greater than 120 seconds during the morning and evening peak hours, and require new development to mitigate traffic impacts that increase delay above that level.

**LEGAL REVIEW:**

The City Attorney has reviewed and approved the staff report and resolution.

**FINANCIAL IMPACT:**

Implementation of the "On-Call" agreement for development plan checking is on a "pass-through" basis, whereby the City collects plan check fees from applicants sufficient to cover the plan check fees paid to Lockwood. Upon receipt of payment from applicants, plan check revenues will be recognized in General Fund Account No. 010-400-7262-7629/7626/7625, which will offset the expenditure for plan check services paid from the General Fund Account No. 010-500-7262-2011.

According to **Table 4** below, staff recommends an increase in estimated revenues of \$828,000 and a corresponding increase of \$720,000 in expenditure appropriation for Fiscal Year 2016/2017 to facilitate an increase in plan checking revenues and the purchase order with Lockwood Engineering for engineering services of \$818,000. A Budget Resolution is included as **Attachment 2**.

**Table 4 - Budget Summary**

<b>FY2016/2017</b>	<b>Budget</b>	<b>Actual To Date</b>	<b>Remaining Budget</b>	<b>Required Budget</b>	<b>Adjusted Remaining Budget</b>
Plan Check Revenues	\$1,390,000	\$1,067,170	\$ 322,830	\$ 828,000	\$1,150,830
Expenses	\$1,527,762	\$1,426,889	\$ 100,873	\$ 720,000	\$ 820,873

The Purchase Order Change Notice (POCN) with Lockwood for development activities will be charged to General Fund Account No. 010-500-7262-2011 for \$750,000; and the POCN for \$68,000 with Lockwood for capital activities will be charged to General Fund Account No. 010-500-7265-2011 and to the various capital project depending on capital projects assigned to Lockwood for total increase POCN of \$818,000. The cumulative PO will be \$1,518,000.

**BUSINESS LICENSING:**

A Business License application and payment of a Business License tax at the Professional Service rate in the amount of \$818 will be paid by the vendor prior to execution of the Purchase Order.

**RECOMMENDATION:**

Staff recommends that the City Council:

- Adopt a Budget Resolution for “On-Call” Civil Engineering Plan Check and Other Related Services with Lockwood Engineering Company.
- Authorize the Issuance of Purchase Orders Change Notices with Lockwood Engineering Company in the amount of \$818,000 for a cumulative purchase order of \$1,518,000 for “On-Call” Civil Engineering Plan Check and Other Related Services.