



City of Rialto

Legislation Text

File #: 21-0477, **Version:** 1

For City Council Meeting [July 27, 2021]

TO: Honorable Mayor and City Council

FROM: Marcus Fuller, City Manager

Request City Council Ratify the City Manager's Approval of a Professional Services Agreement with 4LEAF, Inc., a California Corporation for On-Call Building Plan Check, Inspection and Related Services in the Amount of \$250,000 for Fiscal Year 2021/2022

(ACTION)

BACKGROUND

The Building Division has the responsibility to ensure that all construction is in accordance with the International Code Council, California Building Standards, and City Standards. To do this there are three essential parts:

- The intake and processing of projects, through plan check, and issuing the permit. (Permit Technician)
- The checking of those documents to current codes to insure they are up to date, and approval once they are. (Plans Examiner)
- The Inspection of the projects to insure they are built according to the plans and within the codes. (Building Inspector)

On November 12, 2019, the City Council approved three Professional Services Agreements (PSAs) for on-call, as-needed Building Division services encompassing the permit technician, plans examiner, and building inspection scopes of work with CSG Consultants, Interwest Consulting Group, and Willdan Engineering Inc.

Additionally, due to vacancies that occurred in the Building Division, on August 11, 2020, the City Council approved a fourth PSA with Bureau Veritas (BV) to provide contract Building Official and related services.

The three PSAs for Building Division services have closed out, leaving the one remaining PSA with BV for continuation of Building Division services, with an emphasis on contract Building Official services.

In April 2021 the City issued a Request for Proposals (RFP) #21-040 for Building Plan Check and Inspection Services, to solicit new firms to provide the on-call as-needed Building Division services that include permit technician, plans review, building inspection and all related services, including staff augmentation/support.

On July 13, 2021, the City Council approved an amendment to the PSA with BV to increase the

budget for a continuation of contract Building Official services for a term concurrent with a transition of these services to the City's Building & Safety Manager that has been selected and appointed, with tentative start date of August 2, 2021. At that time, the City Council provided direction to the City Manager to immediately transition all Building Division services, with the exception of the contract Building Official services, from BV to a new firm to be selected from the City's recent solicitation through RFP #21-040 of new on-call firms for Building Division services.

The City Council authorized the City Manager to execute an agreement with the selected firm.

ANALYSIS/DISCUSSION

In response to RFP #21-040, on April 15, 2021 the City received 8 proposals from the following firms:

- 4LEAF, Inc.
- Bureau Veritas
- CSG Consultants
- Infrastructure Engineers
- Interwest Consulting Group
- Transtech
- True North Compliance Services
- WC3

These proposals were evaluated by Staff in accordance with the criteria established in the RFP, and based on that evaluation a recommendation was made to select one firm at this time: 4LEAF, Inc. A copy of the proposal submitted by 4LEAF is included as **Attachment 1**. Included with their proposal is a copy of the Conflict of Interest disclosure form confirming no financial conflicts of interest with the City or Council; an updated form was also provided by 4LEAF and is included as **Attachment 3**.

In accordance with their proposal, the important standards of performance include:

- Provide services which meet the following maximum expected turn - around - times for plan check and inspection services. In practice, 4LEAF shall provide these services with the fastest turn - around - time feasible. Additionally, the following Performance Standards shall be used as a guide to determine staff levels.
- Plan Check - The initial check for building plans for new, large scale high density multi - family and mixed - use projects shall be completed within ten (10) working days or less from the date of plan submittal.
- The initial check of building plans for new commercial, industrial, and residential buildings shall be completed within ten (10) working days or less from the date of plan submittal.
- The initial check of building plans for commercial, industrial, and residential remodels, renovations and additions shall be completed within five (5) working days or less from plan submittal.
- All rechecks of building plans shall be completed within five (5) working days or less from

resubmittal.

- Plan Check review for routine and simple structures and items shall be completed over - the - building counter. Routine and simple structures and items include but are limited to; reroofs; patio covers; and fences/walls.
- Inspection - All building inspections requested by 5:00 p.m. on a working day shall be conducted on the next working day with an a.m./p.m. commitment and a two (4) hour window.
- As special circumstances may dictate, after hour or weekend inspections will be conducted.
- At all times, building inspectors shall conduct themselves in a courteous and professional manner and utilize the phone to help coordinate and narrow inspection times with applicants.
- Keep written information regarding building permit application, plan check and inspection process updates.
- Answer the building counter phone when not with a customer at the counter and return telephone calls within two hours. Respond to all email inquiries within one working day.

The scope of services is all-inclusive for the following general categories of Building Division services:

- Building Plan Check Services
- Building Inspection Services
- Building Counter Operations

An optional service may include Building Division administration services, however, this service is not anticipated with the recruitment of the Building & Safety Manager and the addition of a Building Official as part of the Fiscal Year 2021/2022 budget.

The initial term of the PSA with 4LEAF is from July 20 through June 30, 2022. Provided the firm performs to the City's satisfaction, the term may be extended for four (4) one year optional extensions, not to exceed a term of five (5) years.

Additionally, a provision has been included in the PSA that addresses "pass-through" projects. Section 1.9 of the PSA addresses "Additional Services," and in the case of "pass-through" projects where the costs for these projects are covered 100% with deposits from owners/builders of those projects, an automatic approval of an increase to the contract amount is approved. The term is stated as:

From time to time the City may request additional services to be provided for on-call building inspections for certain development projects whereby the owner(s)/builder(s) require dedicated inspectors assigned to their project. In these cases, the City will collect a deposit sufficient to cover one hundred percent (100%) of the costs for Consultant to provide the on-call building inspections by assigned building inspectors furnished by Consultant. To the extent Consultant assigns building inspectors to certain projects when requested by an owner/builder with the fees for such assignment

collected in advance by City, these assignments will be considered “pass through” projects that do not require any City expenditures. For the purposes of this Section 1.9 the additional services to be provided by Consultant for “pass through” projects are automatically approved, and for the purposes of Section 2.1 any additional compensation to be paid to Consultant for “pass through” projects are automatically approved and shall be identified in an Amendment to this Agreement approved by the City Manager.

Staff anticipates the request by developers for dedicated on-call contract building inspectors will increase in the near future, with the commencement of home construction in the Lennar Homes project (River Ranch) with 780 new homes, and other projects. The provision above gives the City flexibility to expand the scope of services with the cost 100% recovered by the developers requiring more dedicated on-site inspections than the City can provide with its three Building Inspectors.

With the exception of staff augmentation and support services, the scope of services related to plan check and building inspections are recovered by the plan check fees and building permit fees paid to the City. The City Manager is requesting an initial budget of \$250,000 for Fiscal Year 2021/2022, but the actual budget required for plan check and inspection services will vary and is dependent on the volume of development activity in the City for the next fiscal year. To the extent development activity increases requiring an increase to the budget for the PSA with 4LEAF, the City Manager recommends the City Council authorize automatic increases to the contract sum to correspond with the increasing Building Division revenue realized with higher plan check submittals and building permits pulled.

Regarding staff augmentation and support services, the City Manager requested 4LEAF to immediately place contract staff with the Building Division to provide a Permit Technician and Plans Examiner due to the growing need for assistance in those areas. The cost for these services can be recovered through salary savings realized while the funded positions are vacant up and through the recruitment process. At the time the Building Division is fully staffed, the City can contract the scope of services with 4LEAF and suspend staff augmentation and support services.

A copy of the PSA with 4LEAF is included as **Attachment 2**.

ENVIRONMENTAL IMPACT

Pursuant to Section 15378 of California Environmental Quality Act, 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. Approval of a Professional Service Agreement is an administrative function in accordance with the Rialto Municipal Code and is not a project as defined by CEQA.

GENERAL PLAN CONSISTENCY

The City of Rialto General Plan establishes various guiding principles, goals, and objectives through which the City looks to improve the community and protect the quality of life for our residents. Guiding Principle No. 1 states that Rialto is a family first community and essential services and amenities must meet the needs and desires of our families.

LEGAL REVIEW

The City Attorney has reviewed and supports this staff report

FINANCIAL IMPACT

Operating Budget Impact

Sufficient funds will be budgeted and available in the General Fund, Account 010-500-4261-2011, as well as departmental salary savings due to budgeted vacant positions. A transfer of appropriation from salaries and benefits to contract services will be processed through the Finance Department as necessary to cover the cost of the staff augmentation and support services provided during the term of the PSA.

Capital Improvement Budget Impact

There is no capital improvement budget impact.

Licensing

On July 15, 2021, 4LEAF obtained a Business License with the City of Rialto.

RECOMMENDATION

Staff recommends that the City Council:

1. Ratify the City Manager's approval of that certain Services Agreement with 4LEAF, Inc., a California corporation, for On-Call Building Plan Check, Inspection and Related Services in the Amount of \$250,000 for Fiscal Year 2021/2022;
2. Authorize the City Manager to amend the agreement to increase the contract sum to account for increased plan check and/or building permit fee revenue corresponding to higher than anticipated Building Division services to be furnished by 4LEAF, Inc., pursuant to the agreement;
3. Authorize the City Manager to exercise the optional one-year extensions; and
4. Authorize the City Manager to execute all necessary documents associated with the agreement.