



CITY OF SAN MATEO

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Agenda Report

Agenda Number: 17

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: Community Development Department
MEETING DATE: August 17, 2020
SUBJECT:
Off-Site Building Plan Check Services – Agreements

RECOMMENDATION:

Approve the agreements for off-site building plan check services with CSG Consultants, Inc. in the amount of \$327,385 and with 4 LEAF, Inc. in the amount of \$170,665, and authorize the Community Development Director to execute the agreements in substantially the form presented.

BACKGROUND:

The Community Development Department (CDD) has had contracts in place with CSG and 4 LEAF since at least 2015 and has renewed and amended the agreements from time to time. The proposed agreements would reinstate these agreements, which recently expired, and would also refine the scope of services to be performed by CSG and 4 LEAF. The agreement amounts requested are based on the remaining balances associated with the expired agreements. The requested services are needed as the Building Division continues to experience a high volume of permit activity, while also experiencing understaffing and other work constraints. During fiscal year 2019-20, the Building Division accepted 3,078 submissions for plan check and issued 3,388 permits, as compared to 3,669 and 3,568, respectively, in fiscal year 2018-19. The total number of plan checks and permits is a bit lower than the previous fiscal year, mainly due to a drop in activity during the third and fourth quarters of fiscal year 2019-20, as the City complied with the COVID-19 Shelter in Place (SIP) restrictions.

The reduction in overall volume has not resulted in a decrease in Building Division activity. This is due primarily to three factors: 1) each functional work group within the Building Division (technicians, plan checkers, inspectors, administrative support) continued to experience understaffing due to difficulties hiring qualified candidates; 2) although consultant contracts for outside help are in place, recent state legislation has limited our ability to use outside help for most services, including to support the general day-to-day work of CDD; and 3) CDD has developed and launched a full suite of online permitting services, which entails some slowing down of our work pace as staff educates customers and attains mastery of the new systems.

In order to keep up with permit activity and continue to minimize customer wait times and implement service improvements, CDD is requesting the subject agreements with CSG and 4LEAF. The agreements would serve to extend the contracts for one year each and narrow the scope of services to meet state law and include only off-site plan check services involving no direct customer contact. No longer included in the scope of services are permit technician services, general building inspections, in-house plan checks, or code consultations.

As CDD continues to fill staff vacancies and improve efficiencies, its need for outside consultants is expected to diminish. During fiscal year 2019-20, the Building Division hired a Permit Center Supervisor, a new role created to facilitate more efficient permit processing, a plan checker, and a new Building Official. Additionally, a second plan checker and two permit

technicians were recently hired, and the department is about to recruit for a new office assistant. The additional staff, combined with internal procedural improvements and new online permit services, is expected to foster a higher level of efficiency and reduced reliance on consultant assistance for regular permit processing.

BUDGET IMPACT:

The CSG and 4 LEAF agreements will utilize the existing \$327,385 and \$170,665 balances, respectively, in the existing budget. These expenses are paid as a portion of the plan check fee revenue collected, and therefore these actions will not have a net impact on the General Fund. The Construction Services Fund (Fund 26) has a current budget appropriation level sufficient to cover the requested expenses. The hourly rate that CSG charges has increased by 25% from \$100 to \$125 per hour. The increase is still competitively reasonable and would not adversely affect the level of service provided or total remaining balance.

ENVIRONMENTAL DETERMINATION:

This item is not a project subject to CEQA, because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. (CEQA Guidelines Section 15378(b)(5).)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

- Att 1 – CSG Building Plan Review Services Agreement
- Att 2 – 4 LEAF Building Plan Review Services Agreement
- Att 3 – Building Plan Check Workload and Counter Customer Report

STAFF CONTACT

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