



## Legislation Text

---

**File #:** 17-0435, **Version:** 1

---

**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Mark Danaj, City Manager

**FROM:**

Anne McIntosh, Community Development Director

Bruce Moe, Finance Director

Nhung Madrid, Senior Management Analyst

Gwen Eng, Purchasing Manager

**SUBJECT:**

Resolution Nos. 17-0110 and 17-0133 Approving Two Three-Year Contracts with Melad & Associates and The Code Group, dba VCA Code for Building Plan Check, Building Inspection, and Fire Plan Check Services (Community Development Director McIntosh).

**ADOPT RESOLUTION NOS. 17-0110 AND 17-0133**

---

**RECOMMENDATION:**

Staff recommends that the City Council:

- 1) Adopt Resolution Nos. 17-0110 and 17-0133;
- 2) Award RFP No. 1126-17 to Melad & Associates and The Code Group, dba VCA Code; and
- 3) Authorize the City Manager to extend the term of the agreements for up to two additional one-year periods if deemed in the City's best interest.

**FISCAL IMPLICATIONS:**

Since both contracts provide that the City would pay the consultant a certain percentage of the plan check fee based on the City's Resolution of Fees schedule, the revenue received from the plan check fees cover the cost of these services, as well as all indirect costs associated with these services. Additionally, for on-call in-house inspection and engineering services, those are based on an hourly rate, as defined in in each contract. This will ensure that invoicing is consistent throughout the life of the contract.

Sufficient funds are included in the budget for plan review and inspections services in the Community Development's and Fire Department's budgets. Staff will closely monitor each contract and the associated budgets as not to exceed the total budgeted amount in each department's respective budgets. It is important to note that because plan check and inspection services are provided on an as-needed basis, this contract amount fluctuates based on construction activity and the Building Division's staffing levels and vacancies. Currently, building activity is at an all-time high, with all plan checks being sent off-site for review, as discussed later in this report. Although sufficient funds are included in the budget for these services, Staff can return at mid-year, in the event an appropriation is

needed.

### **BACKGROUND:**

The City provides plan review and inspections services and oversees the administration and enforcement of various building codes regulating construction, use, and occupancy of all building and structures within the City. To ensure conformance with City and State standards, specifications and safety standards, the City reviews plans and specifications for proposed construction for conformance with code requirements.

Historically, the City has contracted for professional services to meet fluctuating demands during heavy construction periods resulting in increased workloads and during staff vacancies. This arrangement helps the City provide consistent development services to the building community in a timely manner.

In Fiscal Year 2016-2017, several key Building Division positions were vacant including the Building Official position, and the Plan Check Engineer and Senior Plan Check Engineer positions. The Building Official position was filled in late 2016, however, both Plan Check Engineer positions remained vacant the entire fiscal year 2017, and are still currently vacant. Although we are going through the recruitment process for both of these positions, having these vacancies has resulted in all building plan checks being sent off-site for review and approval by the City's current contract plan check firm, Melad & Associates.

These key positions, along with the existing high level of construction activity necessitates the requirement for outside professional Plan Check and Inspection expertise. This allows the City to maintain a plan check turnaround time of four to six weeks, continue to offer accelerated plan check services (four weeks or less), and maintain next business day building inspection services. Additionally, contracting out for services allows the flexibility to quickly respond to the fluctuating demand of plan checks services without compromising turnaround times. Conversely, if there is a lull in submittals, a reduction in plan review services can be accommodated by the contractor without the need for reduction in staff. All of these customer service requirements are necessary to ensure that building activities continue at a steady rate for the City's clients. Not having the ability to provide this level of service may cause undue financial strain, delays and circumvention of building and safety codes for contractors, residents and businesses. The fees for outside services are cost recovery, as they are entirely funded by plan check, inspection and permit fees.

### **DISCUSSION:**

Staff solicited proposals and fourteen responses were received. Vendor selection is based upon several factors including cost, experience, staffing, turnaround time, ability to meet locally with design professionals, contractors and homeowners, other engagements, ability to provide next-day inspection staff, daily desktop pickup and delivery, accelerated plan check services and references. The comparison in Attachment 1 shows the valuation of services.

Of the responses, two vendors, Melad & Associates and VCA Code were ranked equally highest based on the evaluation factors as mentioned above. Also, after speaking to Building Officials in several other jurisdictions, it was very common for cities to have a pool of vendors to provide Plan Check and Inspection services. Due to the high level of construction activity, high demand for these services, prompt turnaround timeframe of plan checks, and overall customer service oriented nature

of this type of service, not just in Manhattan Beach, but in other jurisdictions as well, multiple vendors are recommended to provide these services, which the City can pull from to meet the fluctuating demand. In addition to plan check and inspection services, both vendors provide in-house staff to augment City Staff during times of staff vacancies. Moreover, VCA Code provides recruiting services for various disciplines, as an added service on the contract.

Staff recommends that the City Council award a three-year building plan check, building inspection, and fire plan check services agreement to Melad & Associates and VCA Code. Additionally, staff is recommending that the City Manager be given the authority to exercise the two one-year extensions should it be determined to be in the City's best interest. The City may cancel the contract at any time without cause upon a 30-day notice.

**PUBLIC OUTREACH/INTEREST:**

This bid was advertised on the City's website as well as BidSync, a public bid notification board.

**ENVIRONMENTAL REVIEW**

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

**LEGAL REVIEW**

Each agreement has been reviewed by the City Attorney and each is approved as to form.

**Attachment/Attachments:**

1. Bid Comparison
2. Resolution No. 17-0110
3. Professional Services Agreement with Melad & Associates
4. Resolution No. 17-0113
5. Professional Services Agreement with The Code Group, dba VCA Code