

County of Santa Clara
Department of Planning and Development



97742

DATE: August 13, 2019

TO: Board of Supervisors

FROM: Jacqueline R. Onciano, Director, Dept. of Planning and Development

SUBJECT: Appropriation Modification Relating to Building Plan Review Services

RECOMMENDED ACTION

Approve Request for Appropriation Modification No. 23 - \$250,000 increasing revenue and expenditures in the Department of Planning and Development's General Fund budget and transferring funds from the Department of Planning and Development's Permit Revenue Fund budget, relating to Building Plan Review Services. (4/5 Roll Call Vote)

FISCAL IMPLICATIONS

There will be no negative impact to the County General Fund as a result of the recommended action. This action seeks to appropriate one-time funding from the existing Permit Revenue Fund (0255) to the FY 2019-20 Department's expenditure budget in the General Fund.

CONTRACT HISTORY

In May 2018, the Department conducted a formal competitive solicitation Request for Proposals (RFP) for Plan Review Services. Eight vendors responded to the RFP and were evaluated based on select criteria according to the Department's specific needs. The Department chose two vendors (CSG Consulting Inc. [CSG], and 4LEAF, Inc.) and created two separate Service Agreements, which the County executed in September 2018 through the Procurement Department.

Due to satisfaction with the work performance and the level of customer service, the Department has increased the plans sent to CSG for review and wishes to retain the services of CSG in the near term. The Department prepared the First Amendment to the CSG Agreement, increasing the maximum financial obligation by \$100,000, and the Procurement Department executed the Amendment on June 28, 2019.

Upon further detailed forecasting by the Department Building Official, it has been determined that an additional \$150,000 is needed to manage the projected incoming building plan checks through the end of the calendar year 2019. Therefore, a Second Amendment to the CSG Agreement will be required within the next six months. The Department proposes that the maximum financial obligation for the CSG Agreement would not exceed \$325,000.

REASONS FOR RECOMMENDATION

A recent reduction in staffing in the Development Services Division along with an increase in development projects, has increased the volume of building plan checks being sent to CSG. The Department did not foresee this increase in the workload and does not have funds allocated to cover the additional costs for the contracted services, and therefore is requesting an Appropriation Modification to transfer funds from the Department's Permit Revenue Fund to its operating budget for services and supplies to cover the cost of the services.

The Development Services Division's Building Inspection Office is currently experiencing understaffing in plan check services due to unforeseen extended leaves of absence and other staff departures from County employment. A total of three positions – two (2) Associate Plan Check Engineers and one (1) Principal Development Services Engineer – have been vacant for the last few months. The Department is facing challenges to find qualified engineers who have work experience in application of life/safety, accessibility, flood plain and other non-structural provisions of the California Building Codes. In addition, the team of Plan Check Engineers are at maximum case load capacity and still a large backlog of cases continues to build, with over 60 cases currently in the queue. Continued plan check services provided through the existing contract with CSG are essential to bridge the gap in plan check processing. Once fully staffed, third-party Building Plan Review Services volume will be scaled back, as workload will become more manageable.

The Department has not budgeted the additional costs for continuing Building Plan Review Services for FY 2019-20. This request for additional appropriation is intended to transfer funds from the Permit Revenue Fund to the Department's FY 2019-20 Operations budget to account for the staffing shortfall and increased workload. Any Building Inspection Office revenue realized by the end of FY 2019-20 that exceeds cost-of-service will be transferred to the Permit Revenue Fund for future use.

CHILD IMPACT

The recommended action will have no/neutral impact on children.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

BACKGROUND

The Development Services Division-Building Section of the Department reviews building permit applications, construction documents, and plans to confirm that proposed building projects are in compliance with State and County building codes and related statutes and ordinances. The section also performs building inspections and reviews changes and modifications that occur throughout construction.

The Department performs short-term and long-term forecasts of permit activity, workload,

and permit revenue, basing staffing levels and budget requests on these projections. The Department also maintains contracts with third-party plan check providers to accommodate plan check capacity during short-term peaks in permit activity and/or workload.

In 2013, the Permit Revenue Fund was established to maintain a balance between the cost of building permitting activities and building permit revenue. The County is prohibited by State law from collecting revenue in excess of the cost for building plan check and building inspection services. Revenue received in any fiscal year for building review services that exceeds the cost of services is deposited into the Permit Revenue Fund and is withdrawn as necessary to make up revenue shortfalls in any subsequent fiscal years. The fund enables the Department to balance short-term variations in revenue and/or cost with the long-term cost of operating and staffing the Building Section of Development Services.

The last time the Department requested a transfer of funds from the Permit Revenue Fund to its operating budget was in April 2014, for the purposes of addressing staffing needs. On April 15, 2014, the Board unanimously approved this transfer of funds (please refer to linked Legislative File number 71177).

CONSEQUENCES OF NEGATIVE ACTION

Failure to approve the requested Appropriation Modification will result in a lack of funding to cover the cost for continued third-party plan check review services. The Department's Development Services Division-Building Section would lack the capacity to provide State-mandated plan check services.

STEPS FOLLOWING APPROVAL

The Office of the Clerk of the Board is requested to notify Bhama Ashok and Sarah Oliveira in the Department of Planning and Development when the Appropriation Modification has been approved.

LINKS:

- Linked To: 71177 : 71177

ATTACHMENTS:

- CSG Consultants Service Agreement 4400007557 Amendment 1 - Executed (PDF)
- CSG Consultants Service Agreement 4400007557 - Executed (PDF)
- 4LEAF Inc Service Agreement 4400007558 - Executed (PDF)
- F85-23 (PDF)