



Item No. 12 Town of Atherton

CITY COUNCIL STAFF REPORT – CONSENT AGENDA

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT OVADIA, PUBLIC WORKS DIRECTOR

DATE: NOVEMBER 18, 2020

**SUBJECT: BUILDING AND LIFE SAFETY PROFESSIONAL SERVICES
CONTRACT AMENDMENT WITH INTERWEST CONSULTING
GROUP**

RECOMMENDATION

Direct the City Attorney to prepare and authorize the City Manager to execute an amendment to extend the Building and Life Safety Services Contract with Interwest Consulting Group for a period of 3 years via a 1-year amendment with 2 single-year extensions.

BACKGROUND

Interwest Consulting Group (Interwest) has been providing Building and Life Safety Services for the Town since 2011. Following an informal review of the Building and Life Services provided by Interwest Consulting Group that found no significant discrepancies or negative issues related to the provision of services to Atherton residence, the City Council authorized a 4th amendment to the Consultant Services Agreement with Interwest at its meeting on June 21, 2017.

The current contract for services expired on June 30, 2020 and the Agreement has been operating month-to-month since its expiration.

ANALYSIS

Service Delivery

Interwest continues to provide high quality services to Atherton residents, and as evidenced in the monthly reports, is able to consistently meet and/or exceed the standards set for permit plan reviews for initial and subsequent reviews for both major and minor permit applications. Interwest works closely with Town staff to provide integrated plan review and inspection services.

During the current pandemic associated with COVID-19, Interwest provided as-needed emergency and life-safety inspections, including remote inspections, until the Council authorized the restart of general construction activities in the Town. Interwest assisted in the development of

construction site protocols for contractors and inspection staff. Once the Council authorized the restart of regular construction activities, Interwest was able to resume full inspection services. Interwest also transitioned to an electronic plan review services model, providing contractors and residents the ability to submit permit applications and project plans through the Towns website, allowing submittals without coming to Town offices and reducing applicant costs for large format printing and reproduction associated with plan reviews.

Staff does not recommend changes to services or service levels.

Compensation

With respect to compensation, a survey of other agencies and their service providers was conducted (contract service providers only). Comparative contracts were sought where the basis of payment is a percent of the fee collected versus straight hourly time/material rates.

Atherton’s agreement provides that Interwest Consulting Group is paid 58% of the first \$1,000,000 in building fee revenue and 55% of building fee revenue in excess of \$1,000,000. In FY 2020/21, building fee revenue is estimated at \$1,358,000. Budgeted costs for contract Building and Life Safety Services is \$776,900.

Below is a table of comparative contracts. It is important to note that the volume of work and fee do not correlate exactly so it is difficult to compare apples-to-apples in terms of service delivery and workload. Those agencies that provide “full service” are most comparable to the level of service delivery in Atherton as they provide and operate a fully functional building department. Generally, this would mean that the revenue percentage would be higher as the consultant is operating a full-service building department staff load regardless of the workload (i.e. more risk on the consultant).

Consultant/Jurisdiction	Fee Information	Description of Services
Charles Abbott & Associates		
City of Cypress	70% of Fees	Plan Review Services
	55% of Fees	Building Inspection Services
City of Fountain Valley	First \$800,000 - 65% of Fees Over \$800,000 – 55% of Fees	Plan Review & Building Inspection Services
City of La Palma	65% of Fees	Plan Review Services
City of Los Alamitos	60% of Fees	Plan Review & Part-Time Building Official, Permit Tech, and Inspector
EsGil Corporation		
City of Poway	75% of Fees	Plan Review & Building Inspection Services
City of Santee	75% of Fees	Plan Review & Building Inspection Services

Consultant/Jurisdiction	Fee Information	Description of Services
City of Lemon Grove	75% of Fees	Plan Review & Building Inspection Services
City of Encinatas	75% of Fees	Plan Review & Building Inspection Services
City of Solana Beach	70% of Fees	Plan Review & Building Inspection Services
True North Compliance Services		
City of Del Mar	80% of Fees	Building Official, Plan Review, Building Inspection, & Part-Time Public Counter Services
Willdan & Associates		
City of Goleta	75% of Fees	Plan Review & Building Inspection Services
Interwest Consulting Group		
City of Pomona	65% of Fees	Full Service
City of Lake Forest	55% of Fees	Full Service
<i>Town of Atherton</i>	<i>First \$1m – 58% of Fees Over \$1m – 55% of Fees</i>	<i>Full Service</i>

The Town’s current fee structure seems in line with, if not better than, comparatives.

Staff recommends that the City Council direct the City Attorney to prepare and authorize the City Manager to execute an amendment to extend the contract for a period of 3 years via a 1-year amendment with 2 single-year extensions.

POLICY FOCUS

The Building and Life Safety Services contract with Interwest Consulting Group has been in place since 2011 (9 years). It is prudent for the Town to review contract services on a regular basis and; if appropriate, put those services out to public bid. However, based on the survey results above, the cost of services provided by Interwest Consulting Group and the quality of those services provided ensure that the Town and its residents continue to receive high quality services at competitive cost.

FISCAL IMPACT

None.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials.

COMMISSION/COMMITTEE FEEDBACK/REFERRAL

This item ___ has or X has not been before a Town Committee or Commission.

- Audit/Finance Committee (meets every other month)
- Bicycle/Pedestrian Committee (meets as needed)
- Civic Center Advisory Committee (meets as needed)
- Environmental Programs Committee (meets every other month)
- Park and Recreation Committee (meets each month)
- Planning Commission (meets each month)
- Rail Committee (meets every other month)
- Transportation Committee (meets every other month)
- Tree Committee (meets each month)

ATTACHMENTS

None.