



Honorable Mayor and Members of the Hermosa Beach City Council

APPROVAL OF THE SIXTH AMENDMENT AGREEMENT WITH WILLDAN ENGINEERING FOR STAFF AUGMENTATION SERVICES FOR COMMUNITY DEVELOPMENT

CEQA: Determine the project is exempt from the California Environmental Quality Act. (Building and Code Enforcement Official Guillermo Hobelman)

Recommended Action:

Staff recommends City Council:

1. Approve the proposed sixth amendment to an agreement with Willdan Engineering for plan review and staff augmentation services to increase the not-to-exceed amount by \$70,000, resulting in a total not-to-exceed amount of \$565,000 and an extended term ending August 31, 2025 (**Attachment 1**); and
2. Authorize the Mayor to execute and the City Clerk to attest the attached sixth amendment subject to approval by the City Attorney.

Executive Summary:

The Community Development Department uses contract building plan review specialists for most plan submittals and has utilized this type of third-party service for several decades. The department currently has two specialists on contract and would like to ensure the ability to maintain timely building plan review of projects. The proposed sixth amendment to an agreement with Willdan Engineering would increase the not-to-exceed compensation by \$70,000 resulting in a total amended not-to-exceed limit of \$565,000 with an extended contract term ending August 31, 2025.

Background:

For several decades, the City has contracted with third-party firms for building plan review services for compliance with the California Building Standards Code. Like many smaller jurisdictions, the City's Community Development Department staff does not include building plan review engineers, fire life safety experts, and other building plan review specialists that are essential to conduct the breadth of building plan review.

The Community Development Department currently has a building plan review and related services agreement with two firms, Hayer Consultants and Willdan Engineering. At its October 27, 2020 meeting, City Council approved an agreement with Hayer Consultants to provide building plan review and related services for the Community

Development Department with an expiration date of June 30, 2025. The contract services budget for building plan review services is \$200,000 for Fiscal Year 2024-2025. The same amount is projected for Fiscal Year 2025-2026.

In early 2022, the Community Development Department experienced vacancies of Building and Safety staff and needed additional technically proficient staff to review building plans. The City entered into an agreement on July 20, 2022 with Willdan Engineering in an amount not to exceed \$30,000 and an expiration date of June 30, 2025, to provide on-call staff augmentation services for the Community Development Department (**Attachment 2**). This professional services agreement also allowed the Community Development Department to supplement the available service providers for building plan check services. These additional services helped improve turnaround times.

At its August 9, 2022, meeting, City Council approved the first amendment to increase the not-to-exceed compensation by \$45,000, resulting in a total amended contract term of three years and total not-to-exceed amount of \$75,000 (**Attachment 3**). The proposed first amendment added additional funds to the existing agreement to fill the Department's staffing needs as recruitments were underway.

At its November 29, 2022, meeting, City Council approved the second amendment to increase the not-to-exceed compensation by \$100,000, resulting in a total amended contract term of three years and total not-to-exceed amount of \$175,000 (**Attachment 4**). The second amendment added an approved hourly rate for the position of an Interim Community Development Director to lead the department as the recruitment for a permanent hire was underway.

At its January 23, 2024, meeting, City Council approved the third amendment to increase the not-to-exceed compensation by \$120,000, resulting in a total amended contract term of three years and total not-to-exceed amount of \$295,000 (**Attachment 5**). Because the department was fully staffed by then, the purpose of this amendment was to allow continuation of plan review assistance services only.

At its September 24, 2024, meeting, City Council approved the fourth amendment to increase the not-to-exceed compensation by \$100,000 resulting in a total amended contract term of three years and total not-to-exceed amount of \$395,000 (**Attachment 6**).

At its February 25, 2025, meeting, City Council approved the fifth amendment to increase the not-to-exceed compensation by \$100,000, resulting in a total amended contract term of three years and total not-to-exceed amount of \$495,000 (**Attachment 7**).

Past Council Actions

Meeting Date	Description
<u>October 27, 2020</u>	City Council approves agreement with Hayer Consultants, Inc to provide building plan review and related services to the Community Development Department.
<u>August 9, 2022</u>	City Council approves first amendments for on call staff augmentation for Willdan Engineering.
<u>November 29, 2022</u>	City Council approves second amendment for an agreement with Willdan Engineering for on call staff augmentation.
<u>January 23, 2024</u>	City Council approves third amendment for an agreement with Willan Engineering for on call staff augmentation.
<u>September 24, 2024</u>	City Council approves fourth amendment for an agreement with Willdan Engineering for on call staff augmentation.
<u>February 25, 2025</u>	City Council approves fifth amendment for an agreement with Willdan Engineering for on call staff augmentation.

Discussion:

To effectively serve residents, businesses, and the development community, the City must ensure that building plan review services are provided in a timely manner. Customarily, many jurisdictions aim for a maximum 30-day timeframe to provide an initial review of projects by Planning and Building Safety staff. To meet these expectations, the Community Development Department recognizes the need to continue to have multiple building plan review service providers available. The availability of multiple building plan review service providers will ensure the City is in line with current best practices for many public agencies that utilize multiple building plan review service providers.

Since the last two quarters of 2024 and continuing into 2025, the Community Development Department has experienced a sustained increase in the volume of plan reviews, including several larger commercial tenant improvement projects. Due to staffing limitations and recent ongoing organizational changes within the Department, staff encountered delays in completing the Request for Proposals (RFP) process. The increased volume and complex plan reviews were assigned to Willdan to ensure efficient turnaround. While plan review expenses are funded by application fees paid by applicants, the increase in expenses resulted in accelerated depletion of the contract amount as compared to prior activity levels. Staff anticipates the service demand for building plan review will remain, and the remaining contract amount from the current service agreement with Willdan Engineering will be exhausted by July 2025. The current contract term is scheduled to end on June 30, 2025.

Willdan Engineering is a well-regarded firm that assists many public agencies in Southern California. The Community Development Department began utilizing Willdan Engineering

building plan review services in July of 2022 to supplement the available number of building plan review service providers. Willdan Engineering has demonstrated that they have the technical expertise, available staffing, and competitive pricing to continue to assist the City with building plan review services.

Staff requests the proposed sixth amendment to an agreement with Willdan Engineering to increase the not-to-exceed compensation by \$70,000 resulting in a total amended not-to-exceed amount of \$565,000. Staff also requests that the term of the contract be extended by two months, with a new contract end date of August 31, 2025. At current building plan review volume levels, the requested contract augmentation would allow the department to utilize Willdan Engineering's building plan review services for the extended term of the contract ending August 31, 2025.

The current Professional Service Agreements for building plan review services are being refreshed through a Request for Proposal (RFP) process that is currently underway and due to be completed by the end of July 2025. Staff anticipates securing a minimum of three firms to assist with plan review requests.

Environmental Review:

Section 15060(c)(3) of the CEQA Guidelines. excludes from CEQA review those activities that are not projects within the meaning of Section 15378. In accordance with CEQA Guidelines Section 15378 (b)/5), the proposed action is not subject to CEQA because it involves administrative activities of government that will not result in a direct or indirect physical change in the environment. Therefore. because the proposed action is the adoption of a contract amendment for plan review and staff augmentation services, it is not a project as defined in Section 133781. Therefore, the project is accordingly exempt from CEQA review.

General Plan Consistency:

This report and associated recommendation have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

Governance Element

Goal 1. A high degree of transparency and integrity in the decision-making process.

Policy:

- **1.2: Strategic planning.** Regularly discuss and set priorities at the City Council and management level to prioritize work programs and staffing needs.

Fiscal Impact:

If approved, the proposed sixth amendment to this agreement would increase the not-to-exceed limit for Willdan Engineering by \$70,000 for a revised total of \$565,000 and

extending the contract term from June 30, 2025 to an extended contract term ending August 31, 2025.

The City recovers costs through building plan review fees. The \$70,000 modified request amount is budgeted in the Community Development Department FY 2025–26 budget.

Agreement Modification Request				
Agreement	Current Authorized Amount	Modified Request Amount	FY 2025–26 Budget Dept. Account #	Total Revised Contract Amount
Willdan Engineering	\$495,000	\$70,000	001-4201-4201	\$565,000

Attachments:

1. Proposed Willdan Engineering—Sixth Amendment
2. Agreement with Willdan Engineering
3. Agreement with Willdan Engineering—First Amendment
4. Agreement with Willdan Engineering—Second Amendment
5. Agreement with Willdan Engineering—Third Amendment
6. Agreement with Willdan Engineering—Fourth Amendment
7. Agreement with Willdan Engineering—Fifth Amendment

Respectfully Submitted by: Guillermo Hobelman, Building and Code Enforcement Official

Concur: Alison Becker, Community Development Director

Noted for Fiscal Impact: Henry Chao, Finance Manager

Concur: Brandon Walker, Administrative Services Director

Legal Review: Todd Leishman, Interim City Attorney

Approved: Steve Napolitano, Interim City Manager