



Honorable Mayor and Members of the Hermosa Beach City Council

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

(Building and Code Enforcement Official Guillermo Hobelman and Community Development Director Carrie Tai)

Recommended Action:

Staff recommends City Council:

1. Approve the proposed fourth amendment to an agreement with Willdan Engineering for plan review and staff augmentation services to increase the not-to-exceed amount by \$100,000, resulting in a total not-to-exceed amount of \$395,000 and a term ending June 30, 2025 (**Attachment 1**); and
2. Authorize the Mayor to execute and the City Clerk to attest the attached fourth 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 fourth amendment to an agreement with Willdan Engineering would increase the not-to-exceed compensation by \$100,000 resulting in a total amended contract term of three years and total not-to-exceed limit of \$395,000.

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 28, 2022 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 current fiscal year 2024–2025 contract services budget for building plan review services is \$200,000.

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 prolonged 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 24, 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 that time, staff anticipated the funds would allow Willdan to assist with additional plan review requests to maintain turnaround times through the end of the contract term on June 30, 2025.

Past Board, Commission, and 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.

Meeting Date	Description
November 29, 2022	City Council approves second amendment for an agreement with Willdan Engineering for on call staff augmentation.
January 23, 2024	City Council approves third amendment for an agreement with Willan Engineering for on call staff augmentation.

Discussion:

To successfully serve the residents, businesses, and the development community, the City must ensure that sufficient building plan review services are in place to provide building plan review services within a timely manner. Customarily, many jurisdictions target a maximum 30-day timeframe to provide an initial review of projects by Planning and Building Safety staff. To meet these needs, 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.

In the first two quarters of 2024, the Community Development Department experienced an increase in the volume of plan reviews along with several larger commercial tenant improvement projects. The increased volume and complex plan review expertise 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 that 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 October 2024.

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 fourth amendment to an agreement with Willdan Engineering 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. 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 remaining term of the contract ending June 30, 2025.

The current Professional Service Agreements for building plan review services will be refreshed through a Request for Proposal (RFP) process in early 2025. Staff anticipates securing a minimum of three firms to assist with plan review requests.

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 fourth amendment to this agreement would increase the not-to-exceed limit for Willdan Engineering by \$100,000 for a revised total of \$395,000 for the remainder of the previously approved contract term ending June 30, 2025.

Funding to support any expenditures under these agreements would come from the Building Division contract services account for plan review, 001-4201-4201, in the Community Development Department in the General Fund. The City recovers costs through building plan review fees, and there would be no additional General Plan expenditures. Sufficient funds are available in the Building Division FY 2024–25 budget to cover the estimated expenditures.

Agreement Modification Request				
Agreement	Current Authorized Amount	Modified Request Amount	FY 2024–25 Budget Dept. Account #	Total Revised Contract Amount
Willdan Engineering	\$295,000	\$100,000	001-4201-4201	\$395,000

Attachments:

1. Proposed Willdan Engineering Fourth 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

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

Concur: Carrie Tai, Community Development Director

Noted for Fiscal Impact: Brandon Walker, Administrative Services Director

Legal Review: Patrick Donegan, City Attorney

Reviewed by: Angela Crespi, Deputy City Manager

Approved: Suja Lowenthal, City Manager