

Amendment for Bureau Veritas Professional Services Agreement - Fire Rebuilding Services

City Council – December 10, 2019



Gabe Osburn
Deputy Director of Development Services
Planning & Economic Development Department

Resource Operation Center

- Dedicated One-Stop-Shop for rebuild efforts
- Dedicated Staffing
- Expedited Plan Review
- Support Resources
- Outreach and Education



Resilient City Permit Center

- Dedicated Staffing – 6000 peak monthly staff hours (30 positions)
- Expedited Plan Review - 5 days for minor changes
- 24 hour building inspection turn around with no cap
- Average of 3,000 building inspections per month
- Landscaping design consultations and plan review
- Water Department assistance – service reactivations
- Storm water inspections – average of 1500 monthly inspections
- Right of way safety inspections
- Community engagement

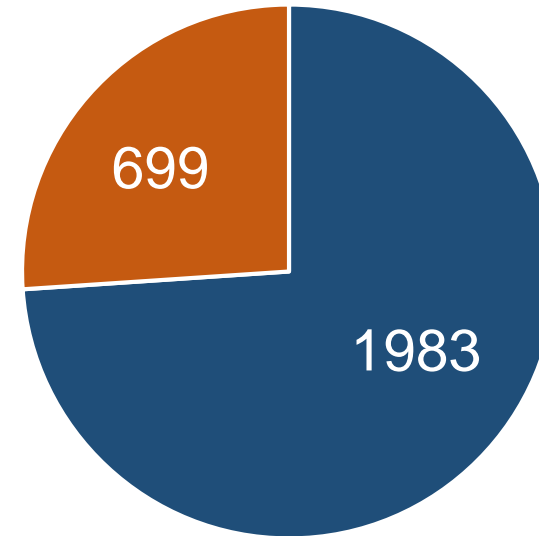


Rebuild

2682 separate parcels experienced the complete loss of a primary or secondary structure

3123 – Total number of residential units, secondary residential structures and commercial buildings and individual suites

Recovery Progress
by Parcel



- Parcels with Active Permit
- Inactive Parcels (No Permit Submittal)

Revenue and Expenditure Estimates - Fire Rebuild

Presented to Council on November 21, 2017

Cost of Contract Services

Year 1	Year 2
\$4,634,640	\$4,251,520

Plan Check and Inspection Fee Revenue

Year 1 Assumption: 1,500 Plan checks and 750 inspections	Year 2 Assumption: 800 Plan checks and 1,000 inspections
\$6,000,000	\$4,400,000

Revenue and Expenditures

December 31, 2018

Cost of Contract Services

Year 1 Estimate	Year 1 Actual	Difference
\$4,634,640	\$5,808,474	\$1,173,834 ↑

Plan Check and Inspection Fee Revenue

Year 1 Estimate	Year 1 Actual	Difference
1500 Plan checks and 750 inspections	1460 New Permits and 15,000 inspections	
\$6,000,000	\$7,198,853	\$1,198,853 ↑

Estimated Average cost for Plan Check and Inspection = **\$5,000 per unit**

Actual Average cost for Plan Check and Inspection = **\$4,733 per unit**

Revenue and Expenditures

Year 2 – 2020

Cost of Contract Services

Year 2 Estimate	Year 2 Actual	Difference
\$4,251,520	\$4,583,206	\$331,686 ↑

Plan Check and Inspection Fee Revenue

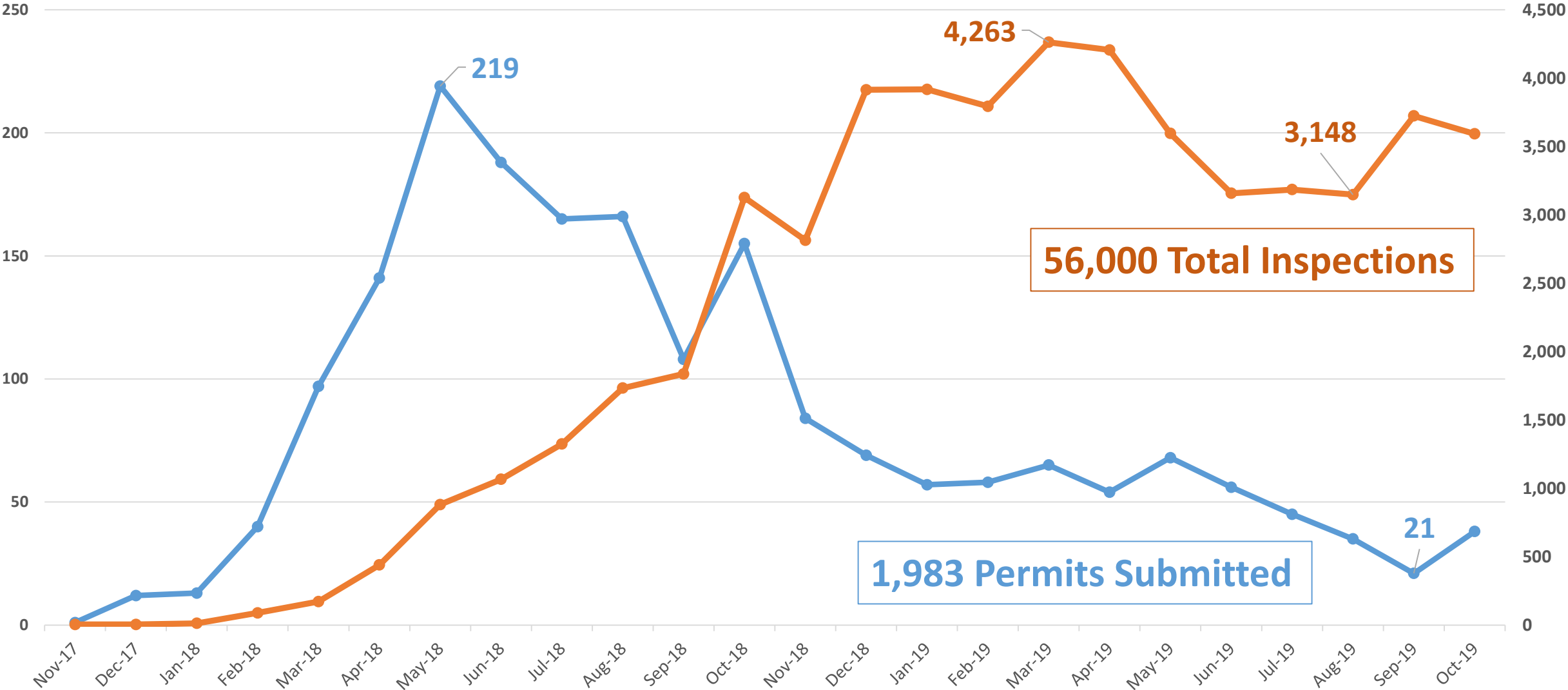
Year 2 Estimate	Year 2 Actual	Difference
800 Plan Checks and 1000 inspections	498 New Permits and 36,579 inspections	
\$4,400,000	\$3,160,470	\$1,239,530 ↓

Estimated Average cost for Plan Check and Inspection = **\$5,000 per unit**

Actual Average cost for Plan Check and Inspection = **\$6,346 per unit**

New Permit and Inspection Activity

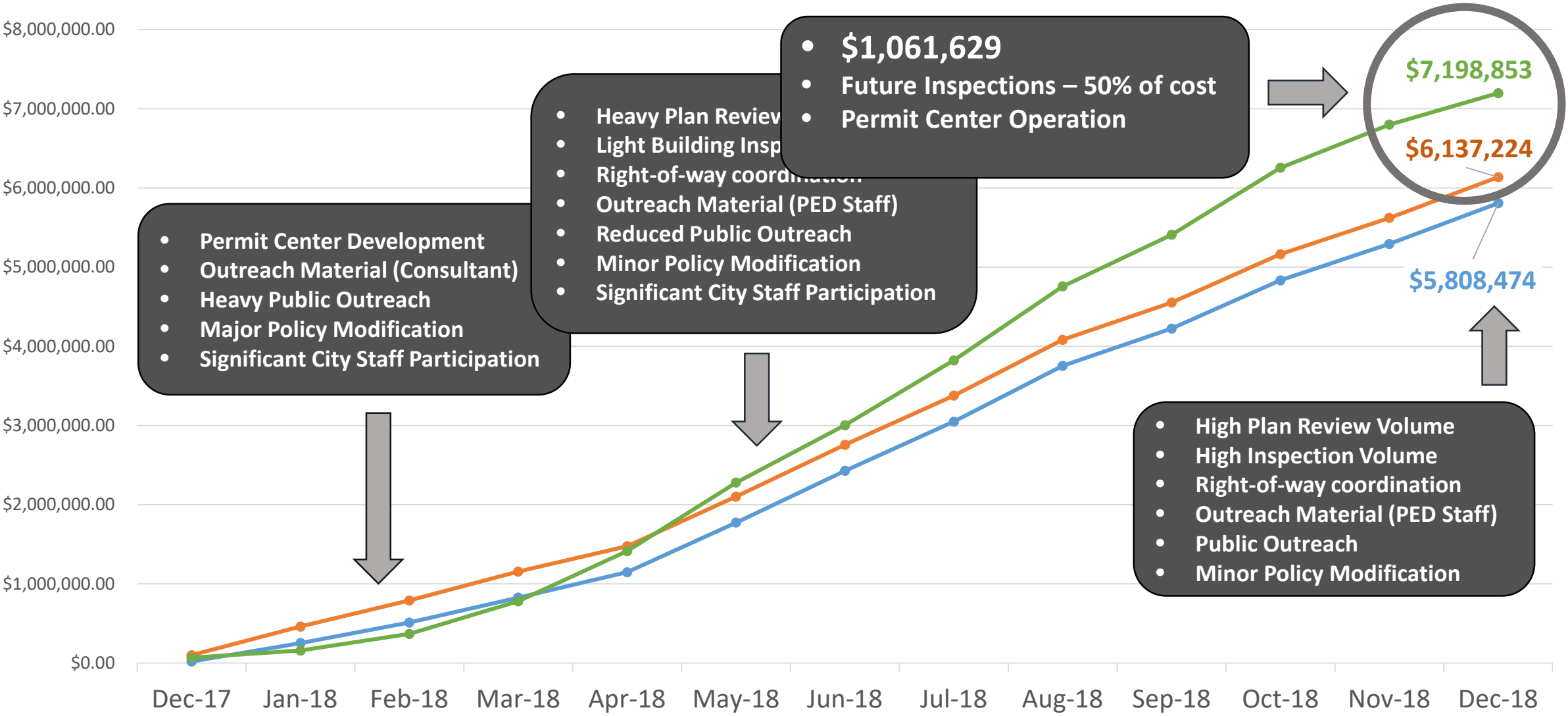
- Monthly Inspections
- New Permits Received



Revenue and Expenditures

Fire Rebuild – Year 1

- Cumulative Consultant Expenditures
- Cumulative Total Expenditures
- Cumulative Revenue



- Permit Center Development
- Outreach Material (Consultant)
- Heavy Public Outreach
- Major Policy Modification
- Significant City Staff Participation

- Heavy Plan Review
- Light Building Inspection
- Right-of-way coordination
- Outreach Material (PED Staff)
- Reduced Public Outreach
- Minor Policy Modification
- Significant City Staff Participation

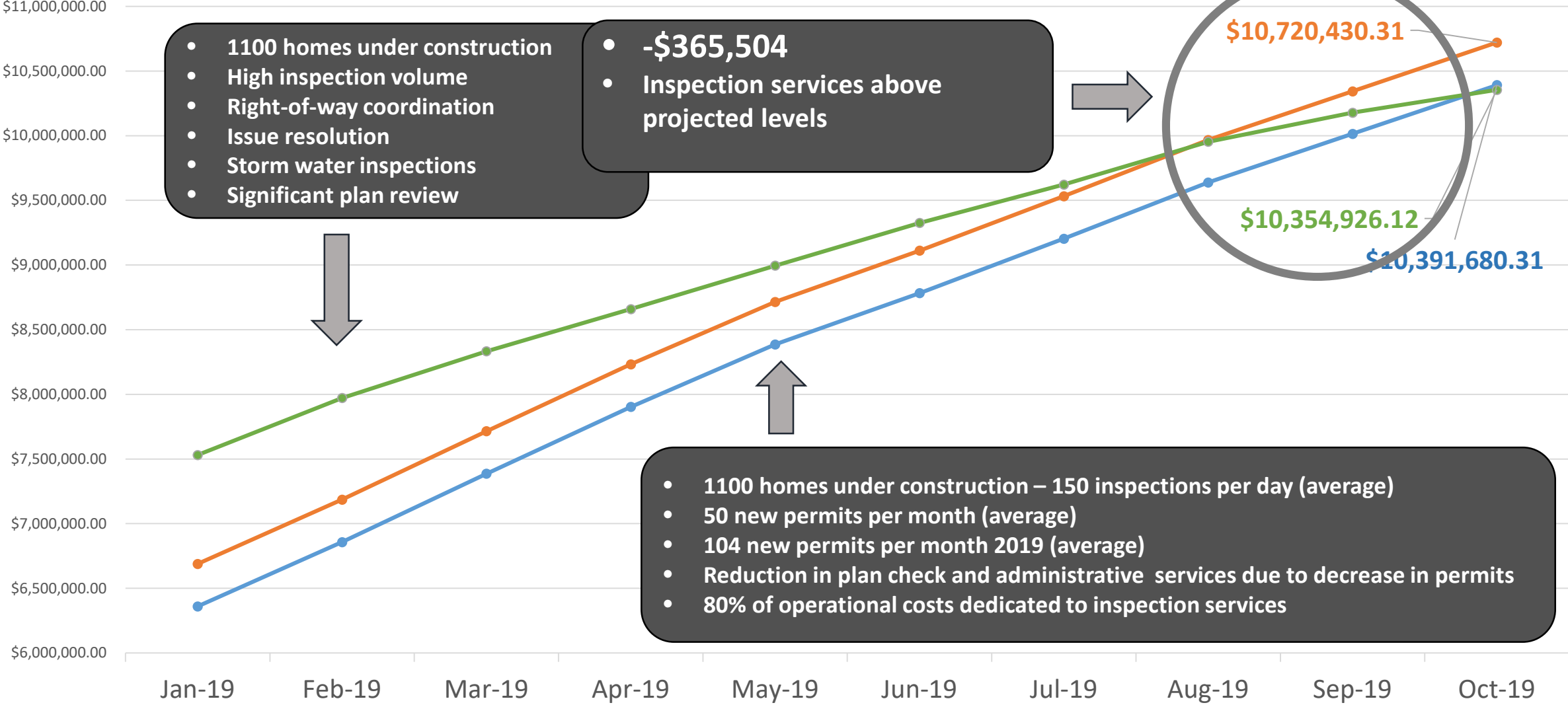
- \$1,061,629
- Future Inspections – 50% of cost
- Permit Center Operation

- High Plan Review Volume
- High Inspection Volume
- Right-of-way coordination
- Outreach Material (PED Staff)
- Public Outreach
- Minor Policy Modification

Revenue and Expenditures

Fire Rebuild – Year 2

- Cumulative Consultant Expenditures
- Cumulative Total Expenditures
- Cumulative Revenue



- 1100 homes under construction
- High inspection volume
- Right-of-way coordination
- Issue resolution
- Storm water inspections
- Significant plan review

- \$365,504
- Inspection services above projected levels

- 1100 homes under construction – 150 inspections per day (average)
- 50 new permits per month (average)
- 104 new permits per month 2019 (average)
- Reduction in plan check and administrative services due to decrease in permits
- 80% of operational costs dedicated to inspection services

Rebuild

Inactive Parcels

699 Inactive parcels (as of 11/18/2019)

28 Sold to home builder active in the area

37 Sold to Investor

110 Sold to individual

524 Held by owner of record on October 8, 2017

Anticipated future revenue with development of remaining parcels = \$4,893,000

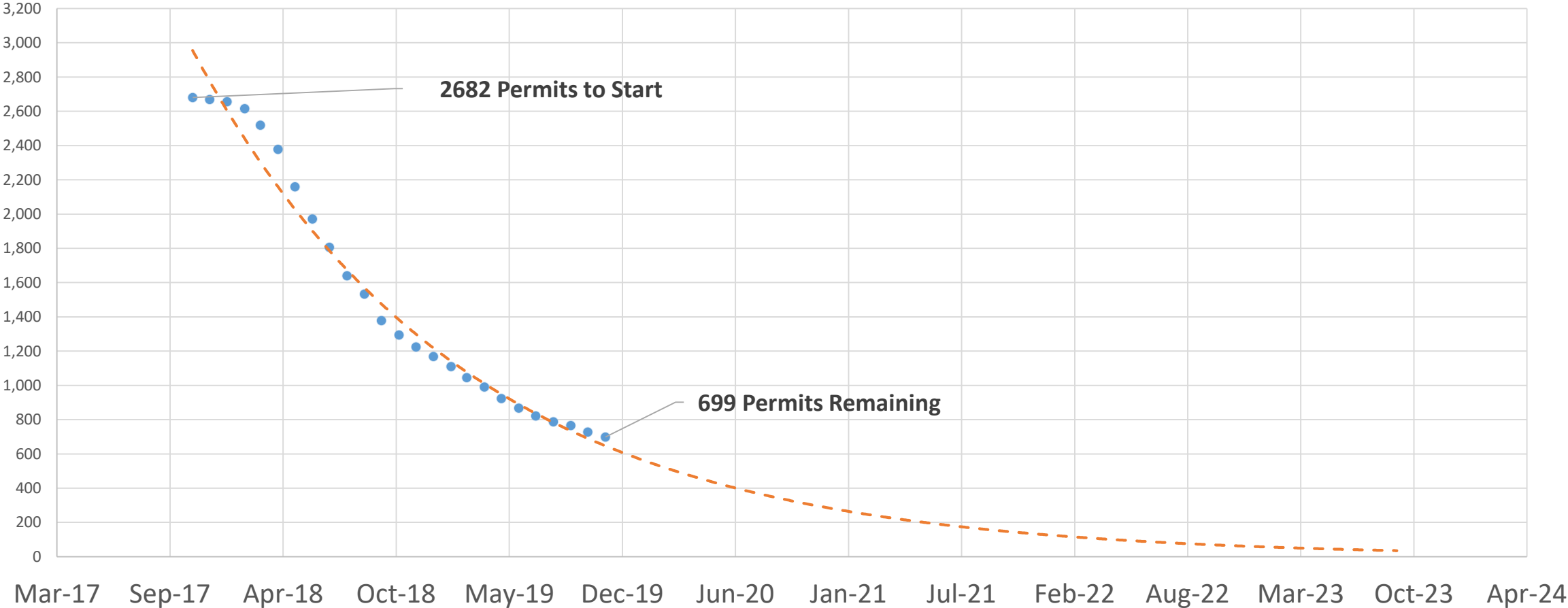
Per parcel plancheck and inspection fee anticipated to increase to \$7,000



Forecast of Remaining Permits to be Submitted

- Actual # of Permits
- Forecast Trend Line Based on Actual

of Fire Rebuild Permits Remaining Forecast



FY 2019-20 PED Budget Amendment

Appropriation

JL Account	Description	Expenditure Adjustment
08046 – Fire Recovery	Bureau Veritas North America – Fourth Amendment	\$2,425,000

General Fund/Revenue

Fund/Code	Source	Amount
1100	General Fund Reserves	\$878,000
1100-4220	Building Permit Fees	\$620,000
1100-4230	Encroachment Permit Fees	\$150,000
1100-4604	Building Plan Review Fees	\$710,000
1100-4802	Technology Fees	\$67,000
	Total Revenue/Reserves	\$2,425,000

Rebuild

Year 3 Service Delivery

- 1. Attempt to maintain consistent level of service**
- 2. Engage the community to better understand needs of remaining property owners**
- 3. Continue staff reductions based on activity trends**
 - Reduce inspection staff when daily inspection counts are routinely under 100 per day
- 4. Develop closure plan for the permit center**
 - Determine solutions for incorporating workload within Planning and Economic Development

Recommendation

It is recommended by the Planning and Economic Development Department that the Council, by resolution,

- 1) waive the competitive selection procedures in Council Policy 600-01 in the best interests of the City; and
- 2) approve the Third Amendment to Professional Services Agreement F01622A with Bureau Veritas North America, Inc., Atascadero, CA to
 - a) extend the term of the Agreement,
 - b) increase compensation by \$3,045,000 for a total amount not to exceed \$13,717,399, and
 - c) amend the Fiscal Year (FY) 2019/20 General Fund adopted budget by increasing appropriations of \$2,425,000; of which \$1,547,000 will be offset with anticipated associated permitting revenue and \$878,000 will be appropriated from the General Fund Reserve balance.

Summary

Questions?

Gabe Osburn

Deputy Director of Development Services

(707) 543-3853

gosburn@srcity.org