

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: CLARE HARTMAN, DEPUTY DIRECTOR - PLANNING  
PLANNING AND ECONOMIC DEVELOPMENT

SUBJECT: THIRD AMENDMENT TO PROFESSIONAL SERVICES  
AGREEMENT – LAND LOGISTICS, INC.

AGENDA ACTION: RESOLUTION

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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 the Professional Services Agreement with Land Logistics, Inc. for plan review services, extending the time of performance to March 31, 2019 and increasing compensation by \$150,000 for a total amount not to exceed \$450,000.

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EXECUTIVE SUMMARY

This motion will amend an agreement with Land Logistics, Inc. for contract planning services in the additional amount of \$150,000 and extend the term of the contract to March 31, 2019. The funds to support this amendment were appropriated to the Department's FY 17/18 budget as a mid-year budget amendment approved by Council on December 5, 2017. It is related to Council Goal 1 Create a Strong, Sustainable Economic Base.

BACKGROUND

1. The Planning Division of the Planning and Economic Development Department is responsible for current planning (plan review) and long-range planning (policy).
2. As a result of increasing permit activity, the Department has relied on consultants to assist with planning plan review services, including but not limited to the facilitation of processing cannabis and housing-related projects. Planning permit applications in 2017 reached a record high with 680 new application in 2017, up from 594 in 2016, and up from 509 in 2015.

3. On December 22, 2015, the City, after a RFP review process, selected and entered into a Professional Services Agreement (the “Agreement”) with Land Logistics, Inc. to provide contract planning support services for permit processing and project management in an amount not to exceed \$100,000.
4. On September 13, 2016, Council approved a First Amendment to the Agreement, providing an additional \$100,000 of compensation and year for time of performance to meet the continued high volume of intake in the planning division.
5. On June 20, 2017, Council approved a Second Amendment to the Agreement, providing an additional \$100,000 of compensation and year for time of performance to meet the continued high volume of permit intake in the planning division.
6. The funds (\$150,000) associated with this Third Amendment are existing resources within the current fiscal year budget for the Department; accordingly, no new General Fund resources are needed to accommodate this amendment request. Specifically, the additional \$150,000 needed for this contract amendment was allocated to the Planning and Economic Development Department’s budget as a mid-year budget amendment approved by Council on December 5, 2017, through adoption of Resolution No. 2017-234.

#### PRIOR CITY COUNCIL REVIEW

The last action by the City Council on the subject contract was on June 20, 2017, in that the Council approved the Second Amendment to Professional Services Agreement – Land Logistics, Inc. increasing the compensation by \$100,000 and the time of performance by one year.

#### ANALYSIS

1. Amending the existing Agreement with Land Logistics, Inc. will allow the Department to continue using outside services for the plan review of Planning and Building Permit applications, allowing projects to move through the permitting process as expeditiously as possible. Increased permit workloads increase response times unless mitigated by staff or consultant support. Planning permit applications in 2017 reached a record high with 680 new application in 2017, up from 594 in 2016, and up from 509 in 2015.
2. The Department entered into the original Professional Services Agreement with Land Logistics, Inc. in December 2015 for a six-month term. The agreement was amended twice to increase funding by \$100,000 each time, and to extend the term. The third amendment will increase the funding and extend the term as follows:
  - Increasing compensation by \$150,000 (for a total contracted amount not to exceed \$450,000);
  - Extending term to March 31, 2018

3. The City Attorney's Office has reviewed and approved the Third Amendment to the Professional Services Agreement and upon Council approval, it is ready for execution by all parties.
4. Council Policy 600-01 requires a competitive process prior to selection and award of professional services agreements. Article 4.1.2 of Council Policy 600-01 states that the City Council may waive this process if the Council finds it is in the best interests of the City to do so.
5. The competitive process required by Council Policy 600-01 includes the execution of a Request for Proposals (RFP) that is sent out to multiple agencies and the required receipt of at least three competitive bids from which a selection can be made. Planning staff has consistently executed RFPs for planning plan review assistance in concert with this policy, the most recent RFP having been conducted in June 2017. In response, only two firms submitted bids, Metropolitan Group (M-Group) and Land Logistics, Inc. Receiving only one or two bids for plan review services is a typical result in the last several RFPs due to competing jurisdictions and limited plan review consultant services available. Planning firms are limited in the number of staff that are available and trained to perform the work. Due to the extent of the City's plan review workload, staff is moving forward with both M-Group and Land Logistics, Inc. in order to sufficiently meet the demand for plan review services.
6. Staff believes it is in the best interests of the City to enter into an amendment with Land Logistics, Inc. without engaging the competitive process as specified under Policy 600-01 because Land Logistics, Inc. possesses the expertise and knowledge that is required with the City's General Plan, Zoning Code, internal processing and plan review procedures, and Department's public and counter support activities. In addition, its budget, timeline, and scope of work have been deemed acceptable by the Planning and Economic Development Department. Last, all funds necessary to support the contract have already been appropriated by the City Council.

#### FISCAL IMPACT

The funds for the amendment to this agreement were appropriated to the Department's FY 17/18 budget as a mid-year budget amendment approved by Council on December 5, 2017, through adoption of Resolution No. 2017-234.

#### ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

Resolution

CONTACT

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