



MEMORANDUM

DATE: March 21, 2023
TO: Paul Buddenhagen, City Manager
FROM: Charles S. Bryant, Community Development Director
SUBJECT: Resolution Of The City Council Of The City Of Emeryville Authorizing A First Amendment Of The Professional Services Contract With West Coast Code Consultants (WC³) For Fiscal Year 2022-2023 For Building Division Services In An Amount Of \$1,704,640 To Cover Expanded Services For A Total Amount Not To Exceed \$2,841,714 And Increasing Revenues And Expenditures In The Building Division Budget For Fiscal Year 2022-2023

RECOMMENDATION

Staff recommends that the City Council approve the above-entitled resolution authorizing a First Amendment to the fiscal year 2022-2023 West Coast Code Consultants (WC³) contract to increase compensation from \$1,137,074 to \$2,841,714 for previously unbudgeted plan review, building inspection, and office support services to the Building Division, and making corresponding increases in revenues and expenditures in the Community Development Department budget for fiscal year 2022-2023.

BACKGROUND

The existing WC³ contract was approved by the City Council on June 21, 2022, by Resolution No. 22-77. Subsequently, the following additional major projects were submitted for plan review services to the Building Division:

| Description | Address | Valuation | Plan Check Fee Collected | Consultant Plan Review Fee |
|--|------------------------|---------------|--------------------------|----------------------------|
| Sound AG Tenant Improvements | 6401 Hollis Street | \$6,169,206 | \$57,374 | \$40,162 |
| Grocery Store Tenant Improvements | 5621 Bay Street | \$6,339,811 | \$39,307 | \$27,515 |
| Stanford Health Care Tenant Improvements | 6121 Hollis Street | \$22,508,300 | \$139,551 | \$97,686 |
| Amyris Tenant Improvements | 5885 Hollis Street | \$77,000,000 | \$47,740 | \$33,418 |
| Public Market Garage | 5900 Hollis Street | \$48,396,300 | \$300,057 | \$210,040 |
| Public Market Lab Building Foundation | 6000 Shellmound Street | \$194,428,800 | \$ 1,506,823 | \$ 1,054,776 |
| Totals | | | \$2,090.852 | \$1,463,597 |

DISCUSSION

The existing contract executed with WC³ for fiscal year 2022-2023, does not include the cost to provide plan check, inspection, and office support services related to these projects. Therefore, Section 3B of the Professional Services Contract, “Compensation and Method of Payment”, should be revised from \$1,137,074 to \$2,841,714 an increase of \$1,704,640, which is the estimated cost to provide these services by WC³.

In preparing the proposed Building Division budget for Fiscal Years 2023-24 and 2024-25, staff intends to include all known major development projects that are reasonably foreseeable to be submitting building permit applications within the next two years, as opposed to the previous practice of including only those projects that were a certainty. Hopefully, this will reduce the number of contract amendments and budget adjustments that will be necessary in the future.

In addition, in spring 2023, staff will issue a Request for Proposals (RFP) for Building Division services covering the next two fiscal years, as has been our past practice since the last time an RFP was issued was four years ago, in 2019.

FISCAL IMPACT

Appropriations from the General Fund (Fund 101) to the Building Division budget are required to cover this contract increase. To offset this additional expense, revenues should likewise be increased. Requested adjustments to the Building Division revenue and expenditure budgets are indicated in the following table.

| Account | | | Title | Existing Budget | Additional Revenues and Expenditures | Proposed Budget |
|---------------------------|------|-------|--------------------------|--------------------|--------------------------------------|--------------------|
| 101 | 1730 | 58200 | Building Permits | \$2,269,853 | \$298,967 | \$2,568,820 |
| 101 | 1730 | 58380 | Title 24 Energy Rev. Fee | \$180,000 | \$256,784 | \$436,784 |
| 101 | 1730 | 58400 | Plan Checking | \$702,000 | \$1,335,274 | \$2,037,274 |
| TOTAL REVENUES | | | | \$4,107,773 | \$1,891,025 | \$5,998,798 |
| 101 | 1730 | 80045 | In-House Counter Service | \$29,000 | \$13,600 | \$42,600 |
| 101 | 1730 | 80050 | Professional Services | \$100,000 | \$36,275 | \$136,275 |
| 101 | 1730 | 80305 | Reimbursable Exp-Mileage | \$10,500 | \$3,744 | \$14,244 |
| 101 | 1730 | 80480 | Prof Svc-Plan Check Fees | \$627,574 | \$1,452,748 | \$2,080,322 |
| 101 | 1730 | 80490 | Prof Svc-Inspections | \$340,000 | \$218,169 | \$558,169 |
| TOTAL EXPENDITURES | | | | \$1,107,074 | \$1,724,536 | \$2,831,610 |

Revenues exceed expenditures because expenditures include only consultant services, whereas revenues must also cover other City expenses such as staffing, overhead, and administrative costs.

STAFF COMMUNICATION WITH THE PUBLIC

None.

CONFLICT OF INTEREST

None.

CONCLUSION

Staff recommends that the City Council approve the attached resolution authorizing an amendment to the fiscal year 2022-2023 contract with WC³ for Building Division services and making corresponding budget adjustments as detailed above.

PREPARED BY: Victor R. Gonzales, Chief Building Official

**APPROVED AND FORWARDED TO THE
CITY COUNCIL OF THE CITY OF EMERYVILLE:**



Paul Buddenhagen, City Manager

ATTACHMENTS:

- Professional Services Contract with WC³
- Draft Resolution including Exhibit A, First Amendment to Contract with WC³