

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Motion to Authorize the City Manager to Execute Amendment #2 to Contract #8919 with BHC Consultants, LLC for Plan Review Services in the Amount of \$150,000
DEPARTMENT: Planning & Community Development
PRESENTED BY: Ray Allshouse, Building Official
ACTION: ☐ Ordinance ☐ Resolution ☒ Motion
 ☐ Discussion ☐ Public Hearing

PROBLEM/ISSUE STATEMENT:

On October 10, 2017, the Planning & Community Development Department Director executed service contract #8919 with BHC Consultants, LLC (BHC) in the amount of \$25,000 to perform plan review services to mitigate a review backlog. This contract was subsequently amended to a revised total of \$50,000 and extended to August 31, 2018.

Another amendment is now needed to cover on-call contingencies for possibly having to contract out one or more large commercial plan reviews. The proposed contract amendments exceed the City Manager's authority and needs City Council authorization to be executed. Staff is requesting that Council authorize the City Manager to execute this amendment for the next year of project design and permitting.

RESOURCE/FINANCIAL IMPACT:

This contract does not impact the budget at this time. This contract amendment is covered by the supplemental budget approved on September 11, 2017 in support of the negotiated expedited plan review agreement with the Shoreline School District and the standing approved 2018 Budget.

RECOMMENDATION

Staff recommends that the City Council move to authorize the City Manager to execute Amendment No. 2 to Contract #8919 with BHC Consultants, LLC in the amount of \$150,000 for Building Plan Review Services for a total contract amount of \$200,000 through January 31, 2019.

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

The Planning & Community Development Department experienced a significant influx of new construction project permit applications in the last part of calendar year 2017, in large part attributed to new impact fees that went into effect this January.

Notwithstanding these new impact fees, application volumes continued into January of this year, which is evidence of sustained economic growth activity. Even with Council approved staff increases, the record setting tempo of applications has continued to be an issue to stay on top of.

To address this increase in work load, staff is recommending enhanced use of an outside vendor to perform plan review services. The negotiated accelerated plan review agreement with the Shoreline School District for permitting of their new schools provided significant additional revenue to not only afford enhanced responsive service for their projects, but also allow for contracting out other plan review work that otherwise would have been impacted. To ensure that other work can proceed in a timely fashion, staff are requesting that on-call plan review service contracts be in place to meet the need when it arises.

DISCUSSION

On October 10, 2017, the Planning & Community Development Department Director executed service contract #8919 (Attachment A) with BHC Consultants, LLC (BHC) in the amount of \$25,000, to perform plan review services to mitigate a review backlog. This contract was subsequently amended to a revised total of \$50,000 and extended to August 31, 2018 (Attachment B).

As noted above, another amendment is now needed to cover on-call contingencies for possibly having to contract out one or more large commercial plan reviews. The proposed contract amendments exceed the City Manager's authority and needs City Council authorization to be executed. Staff is requesting that Council authorize the City Manager to execute this amendment for the next year of project design and permitting.

To date, BHC has provided quality service in a timely fashion for the City. Although BHC was not selected through a competitive Request for Qualifications (RFQ) process, they have received a waiver from the City Manager from the RFQ process requirement.

ALTERNATIVES ANALYSIS

Council could choose of these three alternatives with regard to this proposed contract amendment:

1. Enter into contract amendment #2 with BHC using the approved waiver to the City's RFQ process. This is the alternative preferred by staff, which would result in the ability to provide accelerated plan review for the Shoreline School District and review for other projects.
2. Not enter into a contract amendment with BHC and not move forward with any expanded on-call plan review service capacity. This would mean that the City's customers would likely experience extended review queues during busy

application periods, experiencing delays in gaining necessary approvals for their proposed larger development projects.

3. Not enter into a contract amendment with BHC and go out for a new RFQ for this service. This may or may not result in the City obtaining a qualified consultant with an ability to deliver what is needed with the timeliness and quality that staff have come to expect from CWA. In addition, the opportunity to exercise the contracting option for larger projects would have to be put off for the duration of the selection process.

COUNCIL GOAL(S) ADDRESSED

This contract amendment supports ongoing City efforts to achieve “Council Goal 1 – Strengthen Shoreline's economic base to maintain the public services that the community expects.” Specifically, these contracts support Action Step 2 – “Enhance the attractiveness of Shoreline as a place for private investment, including investment by small and medium sized developments, by ensuring that the permit process is predictable, timely and competitive.”

RESOURCE/FINANCIAL IMPACT

This contract does not impact the budget at this time. This contract amendment is covered by the supplemental budget approved on September 11, 2017 in support of the negotiated expedited plan review agreement with the Shoreline School District and the standing approved 2018 Budget.

RECOMMENDATION

Staff recommends that the City Council move to authorize the City Manager to execute Amendment No. 2 to Contract #8919 with BHC Consultants, LLC in the amount of \$150,000 for Building Plan Review Services for a total contract amount of \$200,000 through January 31, 2019.

ATTACHMENTS

Attachment A – Scope of Work for Contract #8919 with BHC Consultants, LLC
Attachment B – Amendment No. 1 to Contract #8919 with BHC Consultants, LLC

EXHIBIT A

SCOPE OF SERVICES & COMPENSATION

1. PROCESS

- A. The City will determine which plans are to be reviewed by BHC Consultants, LLC (BHC).
- B. Each plan review shall be identified as a separate task as determined and setup by the city. Upon receiving a plan review task by the city, BHC and the city will determine the maximum allowed hours to be utilized for the complete review of the task. If, after starting the initial review, it is determined by BHC that the maximum hours required to complete the task exceed the initial estimate, BHC will not proceed with the review until the city ^{HAS} considered and either authorizes additional hours or determines that BHC has completed the review to the city's satisfaction.

All plan submittal documents must be submitted to BHC in a complete set including all pertinent engineering calculation, specifications and engineering details. In addition, all geotechnical reports and data must accompany the complete plan review submittal. All plan review time used in sorting or deciphering incomplete submittal information will be charged as part of the initial review.

- C. The City will intake, track and process the permit applications and all revisions per current building and permit administration procedures.
- D. BHC will be responsible for the transportation of permit review documents to the City. The City will be responsible for the transportation of permit review documents to BHC.
- E. BHC will complete the initial review and will have either approved the application and notified the City of approval or contacted the applicant and/or the City with corrections within the time frames listed below:

Typical Review Times:

Project Type	Initial Review	Re-Review
Single-Family	10 days (2 weeks)	5 days (1 week)
Multi-Family	15 days (3 weeks)	10 days (2 weeks)
Commercial	20 days (4 weeks)	15 days (3 weeks)

Turn-around time for large, complex and non-typical types of permit applications is to be negotiated.

- E. BHC will review any revisions or additional information and will either indicate compliance with the code(s) against which it was checked and notify the City of compliance, or if the drawings are still not complete, contact the applicant and/or the City with additional revision requests within the time frames specified above.
- F. The typical review times as noted above may be negotiated based on the number and/or complexity of projects the City wishes to send to BHC at one time or within a short window of time. BHC will not be held responsible for delays beyond BHC's control. BHC shall notify the City of revisions to estimated target dates.

1. **LUMP SUM.** The City shall pay BHC a lump-sum fee for performing an initial review and one recheck for each project. The fee shall be based on a percentage of the plan review fee as tabulated below or as mutually agreed upon between the City and BHC. The plan review fee shall be based on the fees charged by resolution for the City.

<u>Commercial and Multi-Family Projects</u>	Percentage of Plan Review Fee	
	Valuation < \$2,000,000	Valuation \$2,000,000 To \$5,000,000
Complete Plan Review	75%	70%
Partial Plan Review (structural only or nonstructural only)	60%	50%
	Valuation \$5,000,001 to \$10,000,000	Valuation \$10,000,001 and up
Complete Plan Review	60%	50%
Partial Plan Review (structural only or nonstructural only)	40%	35%

Single Family Projects

Complete Plan Review	75% of Plan Review Fee
Partial Plan Review (structural only or nonstructural only)	50% of Plan Review Fee

- 1.1 All other review services and reviews in excess of two (the initial review plus one re-check) shall be paid on a time-and-expense basis using an hourly rate identified in Schedule B.
- 1.2 Each billing statement will include the permit number, BHC task review number and owner or project name of the plans reviewed with the fee.
- 1.3 Billing statements will be issued for reviews that receive a complete initial review in the preceding month or other acceptable time period. All remaining fees for any project previously billed will be invoiced for total balance due after final review has been completed and plans returned to the City. Fees for large projects maybe invoiced over a several month period when agreeable to both the City and BHC.
- 1.4 On-call and other services will be provided as desired by the City and agreed upon by BHC on a time-and-expense basis using an hourly rate identified in Exhibit B.

HOURLY LABOR RATES SCHEDULE

Classification	Hourly Rates
Plan Checker I (hourly charges)	\$110
Plan Reviewer II - Structural	\$150
Civil/site plan review (P.E.)	\$150

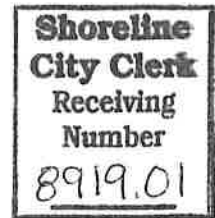
For all "on call" inspection and added services, mileage may be billed portal to portal at current IRS rate.

Overtime Services (No overtime will be charged without prior authorization by the City.)	150% of Above Rates Shown
--	---------------------------

These rates are effective from January 1, 2017 through December 31, 2017



Receiving #8919.01



**FIRST AMENDMENT TO CONTRACT FOR SERVICES
(ORIGINAL CONTRACT NUMBER: 8919)**

Whereas an agreement was entered into by and between the City of Shoreline, Washington, and BHC Consultants, LLC on October 10, 2017; and

Whereas the parties desire to amend said agreement in order to reflect a change of circumstances, to wit:

Now, therefore, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. **Existing Agreement Amended:** The City and BHC Consultants entered into an agreement on October 10, 2017 identified as: Perform Building Plan Review Services. The parties hereby amend that agreement.
2. **Amendment to Existing Agreement:** The agreement is amended in the following respect(s):
 - 2A. Services will be paid at the rate set forth in Exhibit A, not to exceed a maximum of \$50,000, including all fees and those reimbursable expenses listed in Exhibit A.
 - 3A. The term of this agreement shall commence upon execution and end at midnight on the 31st day of August 2018.
3. **Terms and Conditions of Existing Agreement Remain the Same:** The parties agree that, except as specifically provided in this amendment, the terms and conditions of the existing agreement continue in full force and effect.

EXECUTED, this the 1st day of February, 2018.

CITY OF SHORELINE

Name: Rachael E. Markle

Title: Director, Planning & Community
Development

CONSULTANT

Name: Ron Dorn

Title: President