

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorizing the City Manager to Execute Amendment Number Four to the Professional Services Contracts with BHC Consultants and CWA Consultants in the Amounts of \$175,000 for Total Contract Amounts of \$375,000 Each for Building Plan Review Services
DEPARTMENT:	Planning & Community Development
PRESENTED BY:	Ray Allshouse, Building Official
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The City executed service contracts with BHC Consultants, LLC, on October 10, 2017 and with CWA Consultants, P.S., on January 11, 2018, each in the amount of \$25,000, to provide building plan review services to keep up with the increase in workload related to continued development demand while maintaining acceptable permit processing timelines. With previous Council approval, each contract was subsequently amended to satisfy the City’s negotiated accelerated review process with the Shoreline School District and sustained permitting workload to a revised total of \$200,000 for each contract, and extended to December 31, 2019. Continued development demand, specifically townhouse development, largely driven by developer response to the light rail station area rezones, has resulted in a need to further amend each of these contracts by an additional \$175,000 for each contract.

Each amendment exceeds the City Manager authority and needs City Council authorization to be executed. Staff is requesting that Council authorize the City Manager to execute these amendments to ensure building plan review capacity is available when needed for the review of both expedited permit applications and permit applications sent out for review by the consultants as a means to manage the workload and consequently permit review turn-around time.

RESOURCE/FINANCIAL IMPACT:

These amendments will be wholly funded by revenue receipts in excess of that budgeted in the current biennium. 2019 expenditures are projected to be covered by current authorized budget contingencies; whereas 2020 expenditures will be proposed as budget amendments.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute amendment number four to the professional services contract with BHC Consultants in the amount of \$175,000 for a total contract amount of \$375,000 and amendment number four to the

professional services contract with CWA Consultants in the amount of \$175,000 for a total contract amount of \$375,000, both for building plan review services.

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

INTRODUCTION

The City needs to provide a dependable administrative relief valve to help mitigate building permit processing backlogs resulting from capacity limitations of current staffing levels. Building plan review frequently has been the critical path towards permit issuance. In this regard, the City also offers an expedited plan review service for an additional fee which covers completion cost by contract in whole. Therefore, contract capacity needs to be in place to ensure availability of this option for the City's customers.

BACKGROUND

Providing responsive building plan review services during periods of increased development demand is deemed to be best achieved through the use of consultant service contracts. In 2017, Council approved the addition of an FTE Plans Examiner II, in response to the robust growth the City has experienced since the great recession, but the permitting workload has continued to grow. How long this period of economic expansion will continue is difficult to predict. However, the light rail station area rezones have fostered substantial new residential development.

The chart below demonstrates the increased growth in the development of townhomes. From January 2015 to March 2017 the City approved the construction of 16 new townhouse units. In the last two years (March 2017 to March 2019), the City has approved the construction of 69 new townhouse units. Another 258 townhouse units are currently under review (as of June 2019). Most of the townhouse units are being developed in the MUR-35' and MUR-45' zoning districts, but some are being developed in the R zoning districts (R-6, R-12, R-24, R-48) and the TC-4 zoning district.



In addition, Council's previous approval of an expedited plan review fee has provided some relief for time critical projects. Other customers are not impacted because the fee provides enough funds to afford contract accomplishment. However, the budget authority for the contracts for building plan review need to be increased to allow expedited permitting to be an option.

The City executed service contracts with BHC Consultants, LLC, on October 10, 2017 and with CWA Consultants, P.S., on January 11, 2018, each in the amount of \$25,000, to provide building plan review services to keep up with the increase in workload related to continued development demand while maintaining acceptable permit process timelines. Subsequently, on April 2, 2018, both contracts were further amended to satisfy the City's negotiated accelerated review process with the Shoreline School District and sustained permitting workload. These and additional administrative amendments brought both contracts to a revised total of \$200,000 for each contract, and extended the terms of the contracts to December 31, 2019. The staff reports for the Council actions to amend these contracts on April 2, 2018 can be found at the following links:

BHC Consultants:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2018/staffreport040218-7b.pdf>.

CWA Consultants:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2018/staffreport040218-7c.pdf>.

DISCUSSION

Continued development demand as noted above has resulted in a need to further amend each of these contracts by an additional \$175,000 for each contract. All other terms of these contracts will remain the same.

Each amendment exceeds the City Manager authority and needs City Council authorization to be executed. Staff is requesting that Council authorize the City Manager to execute these amendments to ensure building plan review capacity is available when needed for the review of both expedited permit applications and permit applications sent out for review by the consultants as a means to manage the workload and consequently permit review turn-around time.

RESOURCE/FINANCIAL IMPACT

These amendments will be wholly funded by revenue receipts in excess of that budgeted in the current biennium. 2019 expenditures are projected to be covered by current authorized budget contingencies; whereas 2020 expenditures will be proposed as budget amendments as needed.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute amendment number four to the professional services contract with BHC Consultants in the amount of \$175,000 for a total contract amount of \$375,000 and amendment number four to the professional services contract with CWA Consultants in the amount of \$175,000 for a total contract amount of \$375,000, both for development review support.

ATTACHMENTS

Attachment A: Initial Contract Scopes of Work for BHC Consultants and CWA Consultants

EXHIBIT A

SCOPE OF SERVICES & COMPENSATION

I. 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} ~~is~~ 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>	<i>Percentage of Plan Review Fee</i>	
	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 150% of Above Rates Shown
(No overtime will be charged without prior authorization by the City.)

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

EXHIBIT A
SCOPE OF SERVICES & COMPENSATION

Plan Review Fee Schedule

The City of Shoreline shall pay CWA Consultants no more than the fee calculated using the methods outlined below.

Upon completion of an initial plan review, a billing statement will be issued by CWA Consultants to the City of Shoreline. Each billing statement will include the application number and the address of the plan reviewed, along with the fee.

Valuation figures and plan review fees will be determined by the City of Shoreline. CWA Consultants will use the following percentages to determine our fees, based upon the fee schedule used by the City of Shoreline:

Commercial Plan Review – FULL REVIEW	
Total Valuation	Fee
\$1 to \$500,000	80% of the City of Shoreline Plan Review Fee
\$500,001 to \$2,500,000	70% of the City of Shoreline Plan Review Fee
\$2,500,001 and Up	60% of the City of Shoreline Plan Review Fee
Commercial Plan Review – PARTIAL REVIEW (Structural or Non-Structural)	
Total Valuation	Fee
\$1 to \$500,000	60% of the City of Shoreline Plan Review Fee
\$501,001 to \$2,500,000	50% of the City of Shoreline Plan Review Fee
\$2,500,001 and Up	40% of the City of Shoreline Plan Review Fee
Residential Plan Review	
\$1 to \$250,000	Reviewed at an hourly rate of \$90/Hour
\$250,001 and Up	75% of the City of Shoreline Plan Review Fee

- Plumbing reviews will be billed at \$90 per hour.
- Fire Code reviews will be billed at \$150 per hour, or a set fee arranged with the City of Shoreline.
- All other services will be billed at \$90 per hour.
- There is a minimum charge of \$180 (2 hours) for all reviews.
- If more than two rechecks are required, an additional hourly fee will apply.