



# City of Huntington Beach

File #: 21-224

MEETING DATE: 4/5/2021

## REQUEST FOR CITY COUNCIL ACTION

**SUBMITTED TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Oliver Chi, City Manager

**PREPARED BY:** Ursula Luna-Reynosa, Director of Community Development

**Subject:**

**Approve and authorize execution of an amendment to the contract between the City of Huntington Beach and CSG Consultants, Inc., for professional inspection services in the amount of \$85,000**

**Statement of Issue:**

Staff is requesting approval to amend an existing contract between the City of Huntington Beach and CSG Consultants, Inc., for professional building inspection services. The contract would be increased by \$85,000, from a total of \$562,500 to \$647,500. The proposed amendment is to cover additional inspection costs incurred due to reduced staffing levels.

**Financial Impact:**

The CSG Consultants, Inc., amendment will not require additional appropriation, as it will be funded from the approved Community Development Department Fiscal Year 20/21 Professional Services budget (\$10,000 from account 10060401.69365 and \$75,000 from account 10060501.69365).

These services are supported through revenue received from building permit and inspection fees.

**Recommended Action:**

Approve and authorize the Mayor and City Clerk to execute, "Amendment No. 1 to Professional Services Contract Between the City of Huntington Beach and CSG Consultants, Inc., for Building Staffing Services;" an increase from \$562,500 to \$647,500, as approved by the City Attorney (Attachment No. 1).

**Alternative Action(s):**

1. Deny the Contract Amendment between the City and CSG Consultants, Inc.
2. Continue the item and direct staff accordingly.

**Analysis:**

The current contract for inspection services was approved by the City Council on June 18, 2018, for a

three-year term with a budget of \$562,500. This contract will expire on June 17, 2021, and it is necessary to increase the contract budget in order to meet the anticipated demand for building inspection services for the remainder of the contract term. The demand for inspection service and associated permit fees generated from development generate revenue to pay for these services.

Applicants pay building inspection fees at permit issuance. Inspection services for a project can last many months, or even years, after building permit fees have been paid, depending on the length of construction.

Since 2008, the Building Division has had a base of nine permanent Building Inspectors. Prior to 2008, there were 12 permanent Building Inspectors. Based on the economy and the volume of work since 2010, the Building Division made an organizational decision to use contract Building Inspectors instead of hiring permanent Building Inspectors. This approach is a cost-effective method of closing the gap between the demands for building inspection services and the ability of City staff to meet this demand.

With the current vacancies of full-time inspection staff, in part due to the City's Separation Incentive Program in October 2020, fewer inspectors are available to complete inspections. Furthermore, with the implementation of the City's new online permitting system, Accela, there is a learning curve for all staff, which is resulting in fewer inspections per day. In addition, Huntington Beach inspectors are carrying an average daily inspection load of 18 inspections per stop, whereas 12 stops per day is considered an industry best standard. As such, there is a continued need for consultant services in order for the City to maintain consistent and quality inspection service levels.

There is no impact to the General Fund by approving this contract amendment.

**Environmental Status:**

The request is exempt pursuant to Section 15061(b) (3) of the California Environmental Quality Act.

**Strategic Plan Goal:**

Non Applicable - Administrative Item

**Attachment(s):**

1. Amendment No.1 to Agreement between City of Huntington Beach and CSG Consultants, Inc., for Inspection Services
2. Original Professional Services Contract between the City of Huntington Beach and CSG Consultants, Inc., for Inspection Services dated June 18, 2018
3. Insurance Certificate
4. CSGs' Huntington Beach Business License