



City of Huntington Beach

File #: 18-322

MEETING DATE: 9/17/2018

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Fred A. Wilson, City Manager

PREPARED BY: David A. Segura, Fire Chief

Subject:

Approve additional appropriation for professional fire prevention inspection, plan check, and environmental engineering services; and, approve and authorize execution of Amendment #1 to Professional Services Agreement with Bureau Veritas North America, Inc. in the amount of \$420,669 for fire prevention inspection and plan review services and increase professional services authority accordingly

Statement of Issue:

The Fire Department requires professional fire prevention inspection, plan check, and environmental engineering services. The Department requests an additional appropriation of \$300,000 for these services. In addition, a contract amendment is being requested to increase the contract authorization for Bureau Veritas North America, Inc. in the amount of \$420,669. The professional services authority for Bureau Veritas is also requested to be increased by a commensurate amount.

Financial Impact:

The FY 2018/19 budget for professional services under 10065201.69365 is currently \$100,000, so an additional allocation of \$300,000 will be required. Funding will be allocated on an incremental basis as needed, based on development project demands. The recommended action is primarily cost-neutral since a major portion of these expenditures are reimbursed by developers and also offset by revenues generated from inspection and plan review services.

Recommended Action:

A) Approve an appropriation of \$300,000 for Fire Prevention inspection, plan check and environmental engineering services; and,

B) Approve and authorize the Mayor and City Clerk to execute "Amendment No. 1 to Professional Services Contract Between the City of Huntington Beach and Bureau Veritas North America, Inc. for Fire Prevention Inspection and Plan Review Services;" and,

C) Increase the Fire Department's professional services authority by \$420,669 to ensure compliance

with Administrative Regulation No. 228.

Alternative Action(s):

Do not approve the additional appropriation or contract amendment and provide staff with alternative direction.

Analysis:

The Fire Prevention Division is responsible for enforcing local, state, and federal codes in order to reduce the loss of life and property from preventable fires and other emergencies. These responsibilities are achieved through the use of professional services to cover the increase in workload.

In Fiscal Year 2017/18, the Fire Prevention Division conducted life safety and fire permit inspections, totaling 8,500. These inspections covered businesses, residential facilities, hazardous materials occupancies, oil wells, and new construction. This Division also performed annual inspections of approximately 2,800 multi-family residential complexes as mandated by the State. In addition to inspection services, the Fire Prevention Division conducted approximately 2,000 plan check reviews in Fiscal Year 2017/18.

The total fire inspection and plan review revenues anticipated for FY 2018/19 is \$981,500. The total fire inspection and plan review revenues received in FY 2017/18 was \$949,668. However, that fiscal year is not closed yet so the revenues reported are still subject to change due to fiscal year-end accruals and adjustments that have not been posted.

Whenever City staff can no longer meet the increased demands of development activity, including performing life safety, business, and state mandated inspections, these services are usually supplemented with professional fire prevention inspection and plan review consulting services. This approach is a cost effective method of closing the gap between the demands for inspection and plan review services and the ability of City staff to meet those demands.

Typical Fire Prevention inspection, plan check and environmental engineering services include:

- Performing over the counter plan check services and consultations
- Performing plan checks for detailed technical projects, including oil well abandonments
- Performing field inspections of operational fire permits, fire protection systems, fire master plans, and architectural plans
- Determining plan compliance with applicable codes, specifications, and City standards
- Submitting a list of items requiring correction to achieve conformance with City regulations
- Providing technical reports of findings and recommendations

Development activity that the Fire Department processes has required additional professional services to meet demands. Examples of significant current and upcoming projects that require these inspection and plan review services include, but are not limited to, the Oakmont Senior Living Development, Lebard Park, Parkside Estates, Pierside Pavillion Phase III, Gothard Townhomes, Sunset Beach Hotel, 600 PCH Apartments, Bolsa Chica Business Park, and Sea Dance Residential.

The Department is requesting an additional appropriation for professional environmental engineering and plan check/fire inspection services. The current funding for FY 2018/19 is \$100,000 and is anticipated to be exhausted by the end of the calendar year. An additional appropriation of \$300,000

to the Fire Prevention business unit (10065201.69365) is requested. This amount will sustain these services through June 30, 2019. These expenditures are primarily cost-neutral since a major portion of the services are reimbursed by developers and offset by General Fund revenues generated from cost recovery fees associated with fire inspection and plan check services.

The additional allocation is needed to continue providing development related and inspection services to the community in a timely manner.

On May 2, 2016, the City Council authorized a professional services contract with Bureau Veritas North America, Inc. Total compensation for this contract was \$720,000. Since then, the services of Bureau Veritas North America, Inc. have been utilized more than was originally anticipated partially due to a vacancy in the Fire Prevention Division, as well as continued increasing demand for the fire inspection and plan review services. The Fire Department is requesting to increase the Bureau Veritas North American, Inc. professional services agreement by \$420,669, which will revise the total compensation of this contract to \$1,140,669 over the three-year term of the contract. The amendment is needed to continue providing development related and inspection services to the community in a timely manner.

Environmental Status:

None.

Strategic Plan Goal:

Enhance and maintain public safety

Attachment(s):

1. Amendment #1 to Professional Services Contract with Bureau Veritas North America, Inc. for Fire Prevention Inspection and Plan Review Services