



**Agenda Item B.3**  
**CONSENT CALENDAR**  
**Meeting Date: June 7, 2016**

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**TO:** Mayor and Councilmembers

**FROM:** Jennifer Carman, Director of Planning & Environmental Review

**SUBJECT:** Amendment of Contract for Building and Safety Services

**RECOMMENDATION:**

Authorize the City Manager to execute Amendment No. 3 to Professional Services Agreement with Willdan Engineering for the provision of building and safety services extending the term of the Agreement to June 30, 2018 and modifying the compensation structure to 70% Willdan, 30% City of fees generated for work processed by Willdan.

**BACKGROUND:**

On March 2, 2010, the City Council approved staff's recommendation to execute an agreement with Willdan Engineering for turnkey building and safety services. The compensation structure with this contract was set at 80% of what the City collects in fees for plan checking and building permit inspections done by Willdan and the City retains 20% of fees collected for the purpose of covering overall program management and administrative costs. This agreement was amended later that year on October 19, 2010 to extend the term for an additional year and reduce the compensation structure to 75% Willdan, 25% City. On June 9, 2015, this agreement was amended to extend the term for an additional year.

Services include staff support to the City as follows: management of all contract services by a Certified Building Official; plan checking by Certified Plans Examiners; field inspections and permit reviews by Certified Building Inspectors; office administration and customer service by a Permit Counter Technician; emergency service response; preparation of fee studies; preparation of code updates; participation in the formulation and implementation of a green building program and provision of interim code enforcement services to assist with vehicle abatement.

**DISCUSSION:**

City staff and Willdan Engineering desire to extend the term of the contract which currently expires on June 30, 2016. Staff recommends that the term of the agreement be extended to June 30, 2018 with one (1) one year renewal option to June 30, 2019.

A number of projects that are moving forward will benefit by maintaining current building permit services and processes. The implementation of the future new Zoning Ordinance will require significant integration with the building permit process. The future fee study based on the new Zoning Ordinance and development of the permit tracking system relies on building permit processing procedures that are well understood and implemented by Planning and Willdan staff. The conclusion of these three future projects is estimated within the timeline of the proposed amendment.

Compensation is currently provided to Willdan Engineering for plan checking and building permit inspection rendered. Compensation is currently set at 75% of what the City collects in fees for plan checking and building permit inspection and the City retains 25% of fees collected for the purpose of covering overall program management and administrative costs. With this amendment, Willdan proposed to reduce their compensation structure to 70% of fees with the City retaining 30%.

A Willdan permit technician currently staffs the City's building and safety front counter 32-hours per week (8 a.m. to 4 p.m., Monday through Thursday). Willdan provides the City with two certified building inspectors on those same weekdays. In addition, building plan review services are now provided for over the counter four days per week, representing a significant increase from the previous one day a week plan check. Electronic plan review services are also now available as well.

A team of certified building inspectors, with credentials in various trades, are available as back-up or as conditions warrant for their specialties. The certified building inspectors are also available for emergency call-out anytime when a fire, accident or seismic event may damage a habitable structure.

Willdan also provides a Certified Building Official at City Hall on most Thursdays for meetings with City staff and applicants. As time allows, the Building Official also conducts plan checking, building permit inspections, and grading permit inspections. The Building Official also works with the City Attorney's Office and Finance Department on periodic fee valuation reviews.


#### **ALTERNATIVES:**

The City and Willdan Engineering could amend this agreement for a longer term or choose to let the agreement expire. Expiration would require the City immediately obtain building and safety services from another vendor.

#### **FISCAL IMPACTS:**

With the reduction in Willdan compensation, estimated cost savings to the City would be approximately \$40,000 annually.

Legal Review By:

  
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Tim W. Giles  
City Attorney

Approved By:

  
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Michelle Greene  
City Manager

**ATTACHMENTS:**

1. Amendment No. 3 to Agreement No. 2010-29

**ATTACHMENT 1**

**AMENDMENT No. 3 TO PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF GOLETA AND WILLDAN ENGINEERING**

**AMENDMENT No. 3  
TO PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF GOLETA  
AND  
WILLDAN ENGINEERING**

**This Amendment No. 3** ("Amendment") to a PROFESSIONAL SERVICES AGREEMENT is made this 7<sup>th</sup> day of June, 2016 between the **City of Goleta** ("City") and **Willdan Engineering** ("Consultant") dated March 2, 2010 ("Agreement").

**WHEREAS** the Agreement between the City and Consultant currently provides in Section 3 Subsection (a) split plan check and building permit fees at 75% Willdan, 25% City; and

**WHEREAS**, the parties desire to amend the Agreement to modify the payment structure to split plan check and building permit fees at 70% Willdan, 30% City; and

**WHEREAS**, the Agreement between the City and Consultant currently provides Section 5 for termination of the Agreement on June 30, 2016; and

**WHEREAS**, the parties desire to amend the Agreement so as to extend the termination date of the Agreement to June 30, 2018 with an option for an additional year; and

**WHEREAS**, the City Council, on this 7<sup>th</sup> day of June, 2016, approved this Contract Amendment No. 3 and authorized the City Manager to execute this Contract Amendment per the Goleta Municipal Code Section 3.05.050.

**Now therefore** City and Consultant agree as follows that the Agreement be, and hereby is, amended as follows:

**1. Section 3 Subsection (a). COMPENSATION AND PAYMENT** of the Agreement is amended as follows:

- (a)** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT shall not exceed seventy (70) percent of what the City retains in fees collection from plan checking and building permits processed by CONSULTANT, and shall be earned as the work progresses on the following basis:

Total fee revenue received by CITY for plan checking and building permits processed by CONSULTANT shall be qualifying fees. CONSULTANT shall earn compensation at the rate of seventy percent (70%) of qualifying fees. CONSULTANT shall be paid earned compensation on a monthly basis. CITY shall be entitled to

retain thirty (30%) of qualifying fees to cover overall program management and administrative costs.

For the inspection of permits issued by the City prior to the effective date of this agreement for which no additional fee revenue is received by the CITY, CITY and CONSULTANT shall mutually agree in writing to the appropriate compensation to CONSULTANT based on the number of inspections required by each such permit.

**2. Section 5. TERM, PROGRESS AND COMPLETION of the Agreement is amended as follows:**

The term of this Agreement is from the date first written above to **June 30, 2018**, unless term of this AGREEMENT is extended or the AGREEMENT is terminated as provided for herein. The City Manager may elect to extend all or parts of this contract for one (1) additional one year term, with terms and conditions remaining the same.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by paragraph 10 below, and (ii) CITY gives written authorization to proceed with the work provide by the CITY's Project Manager.

**3. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect**

**In witness whereof**, this Amendment No. 3 has been executed by the parties effective on the date and year first written above.

**CITY OF GOLETA**

**WILLDAN ENGINEERING**

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Michelle Greene, City Manager

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Daniel Chow, President

**ATTEST**

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Deborah Lopez, City Clerk

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David L. Hunt, Senior Vice President

**APPROVED AS TO FORM**

  
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Tim W. Giles, City Attorney