

Brian Mulry
Brian Mulry (Apr 9, 2024 10:42 PDT)

Apr 9, 2024

CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

A RESOLUTION:

1. AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE, AWARD AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH MGT OF AMERICA CONSULTING, LLC IN AN AMOUNT NOT TO EXCEED THREE HUNDRED THOUSAND DOLLARS (\$300,000), FOR A PERIOD OF TWO YEARS THAT MAY BE ADMINISTRATIVELY EXTENDED, FOR THE PURPOSE OF FINANCIAL ANALYSIS OF CERTAIN REGULATORY FEE EXPENDITURES ACROSS MULTIPLE DEPARTMENTS; AND

2. WAIVING THE COMPETITIVE PROCESS PURSUANT TO OAKLAND MUNICIPAL CODE (“OMC”) SECTION 2.04.051; AND

3. WAIVING THE LOCAL AND SMALL LOCAL BUSINESS ENTERPRISE (L/SLBE) PROGRAM REQUIREMENTS; AND

4. MAKING APPROPRIATE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FINDINGS.

WHEREAS, the Planning and Building Department (PBD), Department of Transportation (DOT), Department of Public Works (DOT), Bureau of Fire Prevention (OFD), City Attorney’s Office, City Administrator’s Office, and Economic and Workforce Development Department (EWD) facilitate and deliver various aspects of development services for builders, property owners, architects, engineers, and realtors; and

WHEREAS, DOT, OPW, the City Attorney’s Office, City Administrator’s Office, EWD, and OFD have not conducted a comprehensive user fee analysis within the last five years as it related to Development Services; and

WHEREAS, in 2024, the Planning & Building Department (PBD) completed a user fee study using fiscal year 2024 budgeted figures, staffing and operational information associated with fee services housed specifically within that Department; and

WHEREAS, the Planning & Building Department (PBD) selected MGT of America Consulting, LLC (“MGT”) for consultant services through a competitive process for the 2024 user fee study associated with fee services housed specifically within PBD; and

WHEREAS, the City now desires to enter into a professional Services Agreement (“PSA”) with MGT in an amount not to exceed Three Hundred Thousand Dollars (\$300,000) to conduct a Citywide Development Services User Fee Study (“Citywide Fee Analysis”) that will calculate the full cost of each department’s provision of current complement of services, and provide a recommended fee to be charged for each applicable service; and

WHEREAS, MGT shall recommend cost recovery strategies and identify best practices in establishing user fees, as well as methods for making such fees more equitable for permit fee payors most impacted by fee costs and access to governmental services; and

WHEREAS, MGT will provide thorough analysis, development of fee models and recommendations including identifying and recommending new fees and revenues sources; and

WHEREAS, the Citywide Fee Analysis will furnish a well-documented and defensible cost of service plan that will identify rates that be used to recover billable costs for services and develop user fees that comply with Proposition 26, Proposition 218 and other applicable statutory requirements; and

WHEREAS, one of the primary goals for this review is to make the fee structure easier for all parties to understand and, as a result, in addition to reviewing existing fee amounts, the Citywide Fee Analysis will review the structures of the fees themselves to ensure developers, residents, and members of the public are able to clearly follow and understand which fees might apply to a given project; and

WHEREAS, the City recognizes the ongoing shortage of affordable housing in Oakland and the surrounding region, as well as the importance of limiting the environmental footprint of future developments, so the Citywide Fee Analysis will also develop strategies for addressing these concerns; and

WHEREAS, the Citywide Fee Analysis will perform analysis of fee modification strategies that could be utilized to encourage these and other outcomes; and

WHEREAS, the funds necessary for the PSAS with MGT are included in the FY 2024-25 Midcycle Budget in the Development Services Fund (2415) across relevant Departments, and funding for FY 2025-27 is contingent upon funding availability and Council’s adoption of the subsequent biennial budget; and

WHEREAS, The City Administrator requests that the City Council waive the City’s L/SLBE program requirements in order to execute the contract with MGT because the Department of Workplace and Employment Standards has confirmed that the Consultant did not meet either the LBE or SLBE requirement; and

WHEREAS, the City Council finds that it is in the best interests of the City to waive the City’s L/SLBE and competitive bidding program requirements to award the contract to MGT for financial analysis services because the City has an interest in ensuring that the 2024 PBD Fee Analysis and this Citywide Fee Analysis are conducted by the same consultant in order to create consistency in reporting, scalability in cost of the Citywide Fee Analysis since MGT is already familiar with Fund 2415 and PBD processes, and to deliver a comprehensive study that builds on the previous 2024 PBD study; and

WHEREAS, the decision to enter into this PSA with MGT is exempt from California Environmental Quality Act (“CEQA”) Sections: 15061(b)(3) (Common Sense Exemption), 15273 (Rates, Tolls, Fares, and Charges), and 15306 (Information Collection); and

WHEREAS, the City Council finds that the agreements shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

RESOLVED: That the City Council authorizes the City Administrator to negotiate, award and execute a PSA with MGT in an amount not to exceed Three Hundred Thousand Dollars (\$300,000) for financial analysis services on an as-needed basis for up to two years, which may be administratively extended as to the term only; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to execute any amendments or modifications to said PSA with MGT, except for those related to an increase in total compensation or the allocation of additional funds, and provided that such amendments or modifications shall be reviewed by the City Attorney and filed with the City Clerk's Office; and be it

FURTHER RESOLVED: That the City Council finds that this action is exempt from CEQA based on the following sections: 15061(b)(3) (Common Sense Exemption), 15273 (Rates, Tolls, Fares, and Charges), and 15306 (Information Collection).

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, JENKINS, KALB, KAPLAN, RAMACHANDRAN, REID, AND
PRESIDENT FORTUNATO BAS

NOES –
ABSENT –
ABSTENTION –

ATTEST: _____
ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California