




AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: William A. Gilchrist
Director, Planning &
Building Department

SUBJECT: SUPPLEMENTAL – On-Call Permit
Support Services

DATE: March 22, 2021

City Administrator Approval 

Date: Apr 8, 2021

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution:

- 1. Authorizing The City Administrator To Award Two Contracts To Interwest Consulting Group, Inc. (“Interwest”) And 4Leaf, Inc. In An Amount Not To Exceed Two Hundred and Fifty Thousand Dollars (\$250,000) Each For As Needed On-Call Permit Support Services For A One (1) Year Term With The Option To Extend For An Additional One (1) Year Term Based On A Request For Proposal (“RFP”) Completed February 16, 2021 And Waiving The City's Local/Small Local Business (L/SLBE) Program Requirements;**
- 2. Waiving The Request For Proposal Requirement And Waiving the City's L/SLBE Program Requirements To Award Two Contracts To West Coast Code Consultants, Inc. (“WC3”) And The Code Group, Inc. (DBA VCA Code) In An Amount Not To Exceed Two Hundred and Fifty Thousand Dollars (\$250,000) Each For As Needed On-Call Permit Support Services For A One (1) Year Term With The Option To Extend For An Additional One (1) Year Term; And**
- 3. Amending Resolution No. 88174 C.M.S., Which Adopted The Fiscal Year (FY) 2020-21 Mid-Cycle Budget Amendments, To Appropriate One Million Dollars (\$1,000,000) From The Development Services Fund (Fund 2415) Fund Balance To Finance The Four (4) Contracts Awarded To Provide As Needed On-Call Permit Support Services.**

REASON FOR SUPPLEMENTAL

The On-Call Permit Support Services agenda report and resolution was formerly scheduled to be heard at the March 29, 2021 City Council meeting. However, the item was withdrawn so that the Planning & Building Department (PBD) could meet with Service Employees International Union (SEIU), Local 1021 to discuss the proposed on-call agreements and address the concerns they raised during Public Comment. This supplemental report has been prepared in response.

City Council
April 20, 2021

EXECUTIVE SUMMARY

PBD is preparing contracts to address outstanding demand in building permit intake, processing and issuance. In addition, the City is seeking to enter into contracts with consultants with demonstrated expertise and experience in performing technical and planning reviews of telecommunication applications. The intent is to have contracts in place with qualified firms to provide competent, reliable, and skilled on-call staff in a rapid, efficient manner on an as-needed basis. Funding for the work will be fully paid for through the requesting applicants' permit fees.

Existing Agreements

Currently, three (3) of the four (4) vendors—Interwest, VCA Code, and WC3—with which the City Council is considering authorizing new agreements have existing contracts with the City to deliver on-call permit support services, not including telecommunication review services. In October 2020, PBD solicited bids through an informal bid process for on-call permit support services. PBD received three (3) responses to its bid solicitation from the following firms: Interwest, VCA Code, and WC3. All three contracts were executed on October 26, 2020. Each contract was for a total amount not to exceed of forty-nine thousand, nine hundred and ninety-nine dollars (\$49,999) pursuant to Oakland Municipal Code (OMC) Section 2.04.040.B.3.

Since that time, PBD staff have engaged with these vendors to provide on-call permit support services to the Department. Over the course of these agreements, the three (3) vendors have further demonstrated their capacity and qualifications to deliver these services to the City. Over the past several months, their staff has learned the City process and regulations in order to effectively support the permitting function. Through the adoption of this resolution the City Council would authorize new agreements with these firms.

Waiver of RFP/Q Competitive Selection Requirements

OMC Section 2.04.051 requires a request for proposal (RFP) or request for qualifications (RFQ) process for professional services contracts in excess of fifty thousand dollars (\$50,000). OMC Section 2.04.051.B authorizes the City Council to waive the City's RFP/Q requirements for contracts in any amount upon a finding and determination that it is in the best interests of the City. Staff recommends that the Council waive the City's RFP/Q requirements for the two contracts with WC3 and VCA Code because these two consultants have demonstrated experience assisting PBD staff process the existing permitting backlog and thus mitigate impacts to residents, business owners and City revenues.

Local Business Enterprise (LBE) and Small and Local Business Enterprise (SLBE) Status

The proposals also received a Compliance Analysis from the Department of Workplace and Employment Standards for S/LBE compliance. The consultant 4Leaf, Inc. (4Leaf) achieved 50 percent LBE participation by partnering with certified LBE firm Kimley Horn but did not meet the 25 percent SLBE requirement. WC3 has applied for LBE status, and a review is underway. VCA Code has an office in Oakland, and is headquartered in Orange, CA. Interwest does not meet either the LBE or SLBE requirement. As a result, a waiver of the City's LBE and SLBE requirements is requested in order to execute all four of these contracts.

BACKGROUND / LEGISLATIVE HISTORY

PBD processes permits related to building construction for contractors, property owners, architects, engineers and realtors. PBD reviews development plan submittals for project approval and inspects for code compliance related to building safety, fire/life safety, accessibility, energy conservation, and other delegated responsibility under the Oakland Municipal Code. Currently, the City has five existing professional service agreements for on-call plan check and inspection services with 4Leaf, WC3, CSG Consultants, Inc., TRB + Associates, Inc., and Bureau Veritas North America, Inc. to provide on-call plan check services.

A Request for Proposals (2016 RFP) was issued in March 2016 and in accordance with Resolution No. 86302 C.M.S. adopted on July 19, 2016, the City Council waived the City's L/SLBE program requirements and authorized the City Administrator to execute professional services agreements with two firms, CSG Consultants, Inc. and TRB + Associates, Inc., to provide on-call building plan check services. Both contracts were for two-year terms with three one-year options to extend and a not-to-exceed amount of one million dollars (\$1,000,000) for each firm.

A second Request for Proposals (2017 RFP) was issued in March 2017. During the 2017 RFP, 4Leaf had earned 100 percent credit for the City's L/SLBE program. In accordance with Resolution No. 87041 C.M.S. adopted on February 6, 2018, the City Council waived the City's L/SLBE program requirements for WC3 and authorized the City Administrator to execute professional services agreements with two firms, 4Leaf and WC3, to provide on-call plan check services. Both contracts were for two-year terms and a not-to-exceed amount of one million five hundred thousand dollars (\$1,500,000) for each firm.

Additionally, in accordance with Resolution No. 87041 C.M.S., the term and amount for existing professional services agreements with CSG Consultants, Inc. and TRB + Associates, Inc. were amended to add two-year terms and a not-to-exceed amount of one million five hundred thousand dollars (\$1,500,000) for each agreement.

A third Request for Proposals (2019 RFP) was issued in August 2019. During the 2019 RFP, two of the five consultants—4Leaf and Bureau Veritas North America, Inc.—met the City's 50 percent L/SLBE program requirements. On December 10, 2019, the City Council approved Resolution No. 87962 C.M.S. waiving the City's L/SLBE program requirements for WC3, TRB + Associates, Inc., and CSG Consultants, Inc. and awarding the following seven professional services agreements:

1. CSG Consultants, Inc., 4Leaf, and to WC3 for on-call plan check, inspections and public right of way plan review services for a three-year term in the amount not to exceed two million six hundred and fifty-five thousand dollars (\$2,655,000) each, with two one-year options to extend the contract in the amount of \$885,000 per year;
2. TRB + Associates, Inc. and Bureau Veritas North America, Inc. for on-call plan check and inspections services in the amount not-to-exceed two million four hundred and sixty thousand dollars (\$2,460,000) each, with two one-year options to extend the contract in the amount of \$820,000 per year;

3. CSG Consultants, Inc., 4Leaf, and WC3 for declared emergency response for damage assessment report review, plan check and inspections in the amount not to exceed six hundred and twenty thousand dollars (\$620,000) each; and
4. TRB + Associates, Inc. and Bureau Veritas North America, Inc. for damage assessment report review, plan check and inspections in an amount not-to-exceed five hundred and twenty thousand dollars (\$520,000) each.

ANALYSIS AND POLICY ALTERNATIVES

In January 2021, PBD issued a RFP (2021 RFP) for on-call permit support services, specifically plan review and telecommunication review services. The 2021 RFP was completed on February 16, 2021. Two (2) proposals were received in response to this 2021 RFP. Both firms, 4Leaf and Interwest were evaluated by subject matter experts from PBD and were determined to be capable of providing the required services. The consultant 4Leaf achieved 50 percent LBE participation by teaming up with the certified LBE firm Kimley Horn but did not meet the 25 percent SLBE requirement. Interwest did not meet either the LBE or SLBE requirement.

However, PBD recognizes the current and ongoing need for augmented staffing capacity for permitting services in the context of operating responses to the pandemic and seeks to include additional firms with whom the City has current contractual agreements for this purpose; these firms are WC3 and VCA Code. WC3 submitted its proposal on February 16, 2021, but the proposal was not received by the Department of Workplace and Employment Standards. VCA Code submitted its proposal on February 20, 2021.

Adopting the attached resolution will enable the City to execute contracts with these four (4) consulting firms to provide supplemental building permit intake and processing services of permit applications to maintain acceptable turnaround times during high-volume periods. Contracting with 4Leaf, Interwest, WC3, and VCA Code will provide the City with flexibility to distribute work as needed to maximize the benefits to the development community while accounting for the work backlog of both City staff and each consultant.

Current Recruitments to Staff Permit Counter

On March 2, 2021, the City Council adopted Resolution No. 88531 C.M.S. that, among other things, amended Resolution No. 88174 C.M.S., which adopted the fiscal year 2020-21 Mid-Cycle Budget Adjustments, unfroze positions funded by the Development Services Fund (Fund 2415), and appropriated two million four hundred fifty thousand two hundred seventy-nine dollars (\$2,450,279) from Fund 2415 fund balance to fund the unfrozen positions.

Table 1 below summarizes current recruitments that are underway to fill critical vacancies, that once filled, will enable PBD to process applications more quickly.

Table 1: Status of Current Recruitments

Job Classification	Recruitment Status
Permit Technician I	Recently hired a candidate to fill one of the three vacancies who is scheduled to start on April 5, 2021. Recruitment Plan in progress in coordination with the Human Resources Management Department (HRM). Class specification updates are needed to comply with Flexible Staffing updates to the Permit Technician II class specification.
Permit Technician II	On February 18, 2021, The Civil Service Boards approved Classification Specification changes. PBD will be underfilling the two vacancies upon establishment of the Permit Technician I eligible list.
Process Coordinator II	PBD is utilizing HRM's contract for recruitment of this position.
Process Coordinator III	PBD is determining strategy for filling this position; was formerly frozen during the Fiscal Year 2020-21 Budget Midcycle process. As of the March 2, 2021 City Council, it was unfrozen.
Planner I	PBD is currently interviewing candidates to underfill a vacant Planner II position within the Permit Counter Operations Division.
Public Service Representative	PBD is currently interviewing to fill the one vacancy within the Permit Counter Operations Division
Administrative Analyst I	PBD is currently interviewing candidates to underfill a vacant Administrative Analyst II position within the Permit Counter Operations Division.

The On-Call agreements will provide personnel that will supplement the efforts of PBD's Permit Technicians. Based upon past experience, PBD presumes that once hires are made, there will be an extensive training period for these new hires so that they are able to perform their job-related duties. Therefore, even after these hires are made, there will still be a need to utilize the On-Call agreements to address the current permitting backlog (which is described in the section that follows) and to ensure maintenance of effort as new staff are on-boarded and trained on the City's Codes and permitting procedures. Moreover, given the need to create new list for these positions during a time where there is a clear potential of increased permit volume, the contract period for the proposed On-Call agreements has been determined at one year.

Permitting Backlog and Impact of Existing On-Call Agreements

Staff manage applications in queue that have been submitted, where records have not been created. In addition, there are applications that are submitted via the Online Permit Center that are pending review and processing. These plans must also be checked by an engineer and are then ready to be final checked for issuance.

On-Call Contractors create applications that require no or very minor plan check and issue permits. In addition, they complete assigned final checks. On-Call Contractors do not meet with applicants but may communicate via email or phone. They are given batches of applications to process and are creating 65-100 applications week. The work of the On-Call Contractors allows PBD's three (3) Permit Technicians to concentrate on processing more complex applications,

conducting virtual meetings with applicants completing application intake for applications that require construction plans.

PBD staff meets weekly to view data relating to permit processing, highlight trends, and to brainstorm modifications to existing processes that can improve the accuracy and efficiency of permit processing. Permitting data is broken down into the following categories:

- Over the Counter (OTC) applications without plans
 - Mechanical, Electrical and Plumbing Permits
 - Windows
 - Other
- OTC - Engineer of the Day (EOD)
- OTC - Solar Permits
- Intake (Projects to be routed to an Engineer)
- Accessory Dwelling Units (ADUs)
- Telecommunications
- Revisions

The workflow for issuing permits is divided into the following phases:

- Applications in Queue
- Applications Assigned and Created
- Pending Applications (OTC – EOD and Intake Applications Only)
- Applications Routed (OTC – EOD and Intake Applications Only)
- Plan Check (Intake Applications Only)
- Final Check (Intake Applications, ADU, Revisions, and Telecommunications)
- Issued

As noted in prior agenda reports responding to Council inquiries about the permitting backlog, PBD is still managing a significant number of applications received via email and file transfer site. Staff is working to create an alternate process as part of its enhancements to the Online Permit Center, however, obtaining information and tracking progress is currently a labor-intensive manual process from submittal to issuance.

Utilization of On-Call Agreements for Plan Check and Inspections

As noted under the “Background and Legislative History” section, PBD currently has on-call agreements for plan check and inspections. These contracts were authorized under Resolution Nos. 87041 and 87962 C.M.S. Inspection services authorized under these agreements were used in 2018-2020 when there was a backlog of inspections. Since that time, PBD has recruited and placed five (5) Specialty Combination Inspectors in the department and have modified the scheduling of inspections such that the inspections backlog has been eliminated. As a result, PBD is not currently utilizing any of these agreements for inspections services.

With respect to plan check staff are currently utilizing on-call vendors to review applications that exceed the capacity of PBD staff to review. PBD is also preparing to fill vacancies in the Engineering/Plan Check division. With these positions filled, staff anticipate that the need to use these on-call vendors will decrease. However, on-call agreements are beneficial to provide periodic support when service demand exceeds staff capacity.

FISCAL IMPACT

Funding for the On-Call Permit Support Services will be appropriated from Development Services Fund (2415) fund balance for up to one million dollars (\$1,000,000). Funding for the on-call permit support services will be fully paid for by the requesting applicants through the permit fee. As a result, funding for the contracts will initially come from the Development Service Fund and will be paid back to the fund by requesting applicants, thus cost recovering. Approval of this resolution does not have a negative impact on the City’s budget. The total On-Call Permit Support Services agreements for the four (4) consulting firms will be for an amount not to exceed one million dollars (\$1,000,000), as shown in **Table 2** below.

Table 2: On-call Contract Breakdown

Vendor	Contract Amount
4Leaf, Inc.	\$250,000
VCA Code	\$250,000
Interwest, Inc.	\$250,000
WC3	\$250,000
TOTAL	\$1,000,000

PBD requests that the City Council amend Resolution No. 88174 C.M.S., which adopted the Fiscal Year 2020-21 Mid-Cycle Budget Adjustments, to appropriate one million dollars (\$1,000,000) from the Development Services Fund (2415) fund balance to the Development Services Fund (2415), Engineering: Permit Center Organization (84421), A Project to be Determined, and Engineering & Architectural Plan Approval Program (PS30) to finance the four (4) contracts awarded for the provision of as needed on-call permit support service.

COORDINATION

This report and resolution were reviewed by the City Attorney’s Office and the Budget Bureau. Representatives from PBD, Department of Human Resources Management and the City Administrator’s Office met with representatives from Service Employees International Union (SEIU), Local 1021 on April 7, 2021 to discuss the proposed on-call agreements. It was agreed that prior to the end of the first one (1) year term that parties from the City and labor would meet to discuss the hiring of staff, permitting process improvements, and status of the permitting backlog. This agreement is contained in the resolution that accompanied this report.

SUSTAINABLE OPPORTUNITIES

Economic: Expedited plan check services will result in quicker issuance of building permits and subsequently, building construction. New construction creates jobs during construction and new buildings result in new residences and/or businesses in Oakland. In the event of a declared emergency, the added capacity to make damage assessments and provide plan check services will mitigate the economic impact on the residents of the city.

Environmental: These services contracts would provide assistance on projects throughout Oakland that would adhere to City environmental standards. In the event of a declared

emergency, the added capacity will allow staff to identify potential environmental hazards in a timely manner.

Race and Equity: These service contracts would provide assistance on projects throughout Oakland that would ensure that the City's resources are distributed equitably to its residents.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution:

1. Authorizing The City Administrator To Award Two Contracts To Interwest Consulting Group, Inc. (“Interwest”) And 4Leaf, Inc. In An Amount Not To Exceed Two Hundred and Fifty Thousand Dollars (\$250,000) Each For As Needed On-Call Permit Support Services For A One (1) Year Term With The Option To Extend For An Additional One (1) Year Term Based On A Request For Proposal (“RFP”) Completed February 16, 2021 And Waiving The City's Local/Small Local Business (L/SLBE) Program Requirements;
2. Waiving The Request For Proposal Requirement And Waiving the City's L/SLBE Program Requirements To Award Two Contracts To West Coast Code Consultants, Inc. (“WC3”) And The Code Group, Inc. (DBA VCA Code) In An Amount Not To Exceed Two Hundred and Fifty Thousand Dollars (\$250,000) Each For As Needed On-Call Permit Support Services For A One (1) Year Term With The Option To Extend For An Additional One (1) Year Term; And
3. Amending Resolution No. 88174 C.M.S., Which Adopted The Fiscal Year (FY) 2020-21 Mid-Cycle Budget Amendments, To Appropriate One Million Dollars (\$1,000,000) From The Development Services Fund (Fund 2415) Fund Balance To Finance The Four (4) Contracts Awarded To Provide As Needed On-Call Permit Support Services.

For questions regarding this report, please contact Angela Robinson Piñon, Assistant Director, at 510-238-3707.

Respectfully submitted,



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