



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

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

**SUBJECT:** On-Call Permit Support Services

**DATE:** March 1, 2021

City Administrator Approval 

Date: Mar 25, 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 Five Hundred Thousand Dollars (\$500,000) Each For As Needed On-Call Permit Support Services For A Three (3) Year Term With The Option To Extend For Two (2) Additional One Year Terms 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 Five Hundred Thousand Dollars (\$500,000) Each For As Needed On-Call Permit Support Services For A Three (3) Year Term With The Option To Extend For Two (2) Additional One Year Terms; And**
- 3. Amending Resolution No. 88174 C.M.S., Which Adopted The Fiscal Year (FY) 2020-21 Mid-Cycle Budget Amendments, To Appropriate Two Million Dollars (\$2,000,000) 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.**

## EXECUTIVE SUMMARY

The City of Oakland’s Planning and Building Department (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 by the requesting applicants’ permit fees.

City Council  
March 29, 2021

### ***Existing Agreements***

Currently, three (3) of the four (4) vendors—Interwest, VCA Code, and WC3—that the City Council is considering authorizing new agreements with 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 OMC Section 2.04.040.B.3.

Since that time, PBD staff have engaged with these vendors 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***

Oakland Municipal Code (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 outstanding professional service agreements for on-call plan check and inspection services with 4Leaf, Inc., 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, Inc. 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, Inc. 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, Inc. 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, Inc., 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, Inc., 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 does not meet the 25 percent SLBE requirement. Interwest does 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.

## **FISCAL IMPACT**

Funding for the On-Call Permit Support Services will be appropriated from Development Services Fund (2415) fund balance for up to two million dollars (\$2,000,000).

Funding for the on-call permit support services will be fully paid for by the requesting applicants through the permit fee. As a result, approval of these resolutions will allow the City Administrator, or designee, to appropriate these applicant funds as they are received. 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 two million dollars (\$2,000,000), as shown in **Table 1** below.

**Table 1: On-call Contract Breakdown**

<b>Vendor</b>	<b>Contract Amount</b>
4Leaf, Inc.	\$500,000
VCA Code	\$500,000
Interwest, Inc.	\$500,000
WC3	\$500,000
<b>TOTAL</b>	<b>\$2,000,000</b>

PBD requests that the City Council amend Resolution No. 88174 C.M.S. to appropriate two million dollars (\$2,000,000) from the Development Services Fund (2415) fund balance to the Development Services Fund (2415), Engineering: Permit Center (84421), DP840 Administrative Project (1000018), A Project to be Determined, and Engineering & Architectural Plan Approval

(PS30) program to finance the four (4) contracts awarded for the provision of as needed on-call permit support service.

In order to appropriate funds from Development Services Fund (Fund 2415), staff requests that the City Council amend Resolution No. 88174 C.M.S., which adopted the Fiscal Year 2020-21 Mid-Cycle Budget Adjustments.

### **COORDINATION**

This report and resolution were reviewed by the City Attorney's Office and the Budget Bureau.

### **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 minimize 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 Five Hundred Thousand Dollars (\$500,000) Each For As Needed On-Call Permit Support Services For A Three (3) Year Term With The Option To Extend For Two (2) Additional One Year Terms Based On A Request For Proposal ("RFP") Completed February 16, 2021 And Waiving The City's Local/Small Local Business (L/SLBE) Program Requirements;
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For questions regarding this report, please contact Angela Robinson Piñon, Assistant Director, at 510-238-3707.

Respectfully submitted,



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