



Item No. 5 Town of Atherton

CITY COUNCIL STAFF REPORT – CONSENT AGENDA

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT OVADIA, PUBLIC WORKS DIRECTOR

DATE: JUNE 19, 2024

**SUBJECT: BUILDING AND LIFE SAFETY SERVICES CONTRACT
AMENDMENT WITH INTERWEST CONSULTING GROUP**

RECOMMENDATION

It is recommended that the Council direct the City Attorney to prepare and authorize the City Manager to execute an amendment to extend the Building and Life Safety Services Contract with Interwest Consulting Group on a month-to-month basis.

BACKGROUND

Interwest Consulting Group (Interwest) has been providing Building and Life Safety Services for the Town since 2011. Following an informal review of the Building and Life Services provided by Interwest Consulting Group that found no significant discrepancies or negative issues related to the provision of services to Atherton residents, the City Council authorized a 5th amendment to the Consultant Services Agreement with Interwest at its meeting on November 18, 2020. The most recent contract for services was set to expire on June 30, 2023. As the Town was in the process of updating its cost allocation model and fee schedule, the Council approved a month-to-month extension of the agreement. The month-to-month agreement is set to expire on June 30, 2024.

ANALYSIS

Service Delivery

Interwest continues to provide high quality services to Atherton residents, and as evidenced in the monthly reports, consistently meets and/or exceeds the standards set for permit plan reviews for initial and subsequent reviews for both major and minor permit applications. Interwest works closely with Town staff to provide integrated plan review and inspection services.

Compensation

Atherton's current service agreement provides that Interwest Consulting Group is paid 58% of the

first \$1,000,000 in building fee revenue and 55% of building fee revenue in excess of \$1,000,000. Interwest has held the above rates since the original contract was entered into. Prior to expiration of the contract, Interwest had advised the Town that the CPI and their cost of service has increased over 33% over the course of the contract and requested an adjustment in their service fees to cover their additional costs of service. As the Town was in the process of completing its fee and cost of service analysis, and it was unknown how the building permit fees would change, Interwest agreed to maintain their current fees until the Town's fee study was completed and a new fee schedule established. Though the new fee schedule was adopted in February 2024, it was not implemented until April 2024. There has been insufficient data to assess the impact of the new fee schedule on building permit revenues and the associated compensation rate. With the upcoming contract expiration, staff recommends that the City Council direct the City Attorney to prepare and authorize the City Manager to execute an amendment to extend the current contract on a month-to-month basis so services can continue uninterrupted through June 2025.

FISCAL IMPACT

None.

GOAL ALIGNMENT

This Report and its contents are in alignment with the following Council Policy Goals:

- Goal Area A – Maintain Fiscal Responsibility
- Goal Area F – Be Forward-Thinking, Well-Managed, and Well-Planned

POLICY FOCUS

The Building and Life Safety Services contract with Interwest Consulting Group has been in place since 2011 (13 years). Extension of the current contract with Interwest Consulting Group on a month-to-month basis will ensure that the Town and its residents continue to receive high quality services at competitive costs as the analysis of the impact of the new fees is completed.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders –to include, but be not limited to, media outlets, school districts, Menlo Park Fire Protection District, service providers (water, power, and sewer), and regional elected officials.

COMMISSION/COMMITTEE FEEDBACK/REFERRAL

This item has not been before a Town Committee or Commission

ATTACHMENTS

None.