



Item No. {{item.number}} 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 21, 2023

**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 pending the adoption of the Town's new permit fee schedule.

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 residence, the City Council authorized a 5th amendment to the Consultant Services Agreement with Interwest at its meeting on November 18, 2020. The current contract for services will expire on June 30, 2023.

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.

During the current pandemic associated with COVID-19, Interwest provided as-needed emergency and life-safety inspections, including remote inspections, until the Council authorized the restart of general construction activities in the Town. Interwest assisted in the development of construction site protocols for contractors and inspection staff. Once the Council authorized the restart of regular construction activities, Interwest was able to resume full inspection services.

Interwest also transitioned to an electronic plan review services model, providing contractors and residents the ability to submit permit applications and project plans through the Town's website, allowing submittals without coming to Town offices and reducing applicant costs for large format printing and reproduction associated with plan reviews.

No changes in service levels are proposed at this time.

Compensation

Atherton's current services agreement provides that Interwest Consulting Group is paid on a percentage of revenue basis as follows: 58% of the first \$1,000,000 in building fee revenue and 55% of building fee revenues in excess of \$1,000,000. Interwest has held the above rates since the original contract was entered into in 2011. In addition, when the Town updated its fee schedule in prior years, Interwest held their revenue stable.

However, over the course of the 11-year term, they have advised that the cost of service has increased over 33%. They are requesting an adjustment in their service fees to cover the additional costs of service. As the Town is currently in the process of completing its fee and cost of service analysis, it is unknown how the building permit fees and associated revenues will change. Interwest has agreed to maintain their current fees until the Town's fee study is complete and a new fee schedule established.

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.

FISCAL IMPACT

None. Building fee revenues will continue to be shared as outlined in the current services agreement.

GOAL ALIGNMENT

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

- Goal Area A – Maintain Fiscal Responsibility
- Goal Area B – Preserve Small Town Character and Quality of Life
- 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 (12 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 cost as the Town completes its fee study.

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.