



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: APRIL 15, 2025**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT **WARDS: ALL**

SUBJECT: FIRST AMENDMENT TO THE PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH CSG CONSULTANTS, INC. OF ORANGE, CALIFORNIA, FOR THE TEMPORARY EMPLOYMENT SERVICE NEEDS OF THE BUILDING & SAFETY DIVISION, TO INCREASE COMPENSATION AMOUNT NOT TO EXCEED AN ADDITIONAL \$200,000 PER FISCAL YEAR THROUGH NOVEMBER 30, 2027, REVISED TOTAL CONTRACT AMOUNT OF \$1,100,000 – SUPPLEMENTAL APPROPRIATION

ISSUE:

Approve the First Amendment to the Professional Consultant Services Agreement with CSG Consultants, Inc. for the temporary employment service needs of the Building & Safety Division to increase compensation amount not to exceed an additional \$200,000 per fiscal year through November 30, 2027, for a revised total contract amount of \$1,100,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the First Amendment to the Professional Consultant Services Agreement with CSG Consultants, Inc. to increase compensation amount not to exceed an additional \$200,000 per fiscal year through November 30, 2027, for a total revised contract amount of \$1,100,000;
2. Authorize the City Manager, or his designee, to execute the First Amendment to the Professional Consultant Services Agreement with CSG Consultants, Inc., including making minor and non-substantive changes;
3. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation in the amount of \$100,000 in the General Fund, Community and Economic Development-Building & Safety, Professional Services expenditure account.

BACKGROUND:

On March 10, 2022, staff released RFP 2171 to solicit bids for a temporary employment service for the needs of the Building & Safety Division. As a result of the RFP 2171, The City received six responsive proposals that were evaluated. An evaluation committee consisting of various departments, including Public Works, Public Utilities and the Community & Economic Development, reviewed each of the proposals. The committee selected the two highest scoring vendors, primarily based on experience, available resources, virtual support, cost, and flexibility of terms.

Several key positions were listed in the RFP: Building Inspector I and II, Permit Technician, Plans Examiner and Senior Plan Check Engineer. These positions are mission critical and listing them ensures the consultant commits to providing the desired technical skills on an as-needed basis.

On November 22, 2022, City Council approved CSG Consultants, Inc., of Orange, California, for temporary employment service needs of the Building & Safety Division, for a three-year initial term with two optional one-year extensions, not to exceed \$100,000 per fiscal year, for a total amount of \$500,000.

DISCUSSION:

The Community & Economic Development Department - Building & Safety Division maintains temporary professional consultant service agreements to help augment staff in times of need. These services are necessary to maintain continuity of operations for development services when staff shortages exist due to high building permit activity, leave for medical or other reasons, a training curve for new staff, and during the recruitment process. Support services include building inspections, plan review, permit counter and virtual customer support. Of most importance, temporary consultant support allows the Building & Safety Division to maintain the highest levels of customer care possible, helping to ensure timely development services are maintained in conformance with the BUILD Riverside and Streamline Riverside initiatives and to ensure projects stay on schedule.

During the initial contract term of November 2022 through December 2024, the City has utilized CSG Consultants for building inspection and plan review services as outlined below:

Contract Fiscal Year	Fiscal Year Expenditure
FY 22/23	\$85,252
FY 23/24	\$99,856
FY 24/25	\$90,398*

*Expenditure is for 6 months of services, City anticipates reaching current contract amount upon payment of invoices through December 2024.

Building & Safety continues to experience a record volume of activity which is evident based on the number of permits issued in fiscal year 23/24. In fiscal year 23/24, the Division issued 6,524 building permits which accounted for approximately \$394,000,000 in permit valuation, its highest level since 2006. Notably, the current 24/25 fiscal year is already surpassing these record levels in terms of volume and production. The support from CSG has been essential in maintaining adequate staffing levels for conducting field inspections and plan check services. This framework not only ensures our operational efficiency but also helps us consistently achieve our customer service goals. As a result, we can provide high-quality services that effectively address our customers' needs and enhance their overall experience. With CSG's assistance, we can allocate the right resources at the right time, ensuring thoroughness and attention to detail during the inspection and plan check process. This helps build trust and confidence within the development community.

This is in accordance with RFP No. 2171 Section 19. Contract Term which allows the City to extend the term for the contract for an additional two one-year terms, not to exceed five years based on acceptable performance by the Company. Purchasing Resolution 24101, Section 1104 Change Orders, Section (5) & (b) state, "Modifications to a Purchase Order shall be made only by Change Order... Subject to the availability of funds, Change Orders may be utilized for the purposes of (5) modifying contract completion time or the term of a Contract. Unless otherwise specifically authorized by the Awarding Entity, Change Orders which cumulatively exceed the following will require Awarding Entity approval... b) Any Change Order which causes the contract price to exceed the authorization in section 203 hereof, if the Contract and/or Purchase Order was not previously approved by the Awarding Entity."

Purchasing Manager concurs that the recommendation to award is in compliance with Purchasing Resolution 24101, Section 1104 (5) & (b).

FISCAL IMPACT:

The total fiscal impact of the amendment with CSG Consultants, Inc. is for an amount not to exceed an additional \$200,000 for FY2024/25. Upon Council approval, a supplemental appropriation will be recorded in the amount of \$100,000 in the General Fund, Community and Economic Development-Building & Safety, Professional Services account number 2825000-421000 to support anticipated increased costs in the current year. Sufficient reserves are available to support the supplemental appropriation, with broader financial planning in place to mitigate its impact on the General Fund balance.

Prepared by:	Oscar Mancillas, Building Official
Approved by:	Jennifer A. Lilley, Community & Economic Development Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Mike Futrell, City Manager
Approved as to form:	Jack Liu, Interim City Attorney

Attachment:

1. First Amendment to the Professional Consultant Services Agreement with CSG Consultants, Inc.
2. Building Permits Issued Report Fiscal Year 23/24
3. Building Permits Issued Report Fiscal Year 24/25