

City Council Agenda Report

Meeting Date: March 18, 2025
From: Daniel S. Wall, P.E., Director of Public Works
Department: Public Works
Submitted by: Rosemary Lozada, Management Analyst

Subject

Amendment No. 3 to Services Agreement with Interwest Consulting Group, Inc., Contract No. CS-1442

Recommendation

Approve and authorize the City Administrator to execute Amendment No. 3 to the Services Agreement with Interwest Consulting Group, Inc., in substantially the same form as submitted, for on-call building plan checks and inspection services provided for a total amount not-to-exceed \$148,429.10 (increasing the total contract cost to \$998,429.10).

Background

As required by Vernon Municipal Code (VMC) Section 3.32.080, on February 24, 2021, the City advertised and received proposals for on-call building plan check and inspection services. On May 4, 2021, the City awarded Contract No. CS-1442 to Interwest Consulting Group, Inc. (Interwest) for on-call building plan check and inspection services for the period of May 17, 2021, through May 17, 2024, for a total amount not-to-exceed \$600,000. In April 2024, the City entered into Amendment No. 1 to the Services Agreement with Interwest extending the agreement through August 17, 2024. In June 2024, the City entered into Amendment No. 2 to the Services Agreement with Interwest to provide additional support for on-call services for the additional amount not-to-exceed \$250,000 (increasing the total contract cost to \$850,000).

Typically, Interwest performs building plan check and inspection services as necessary with the majority of plan checks and inspections performed by City staff. However, due to an influx of large, complex building projects, the City has relied more often on Interwest than it had in the past. Interwest has demonstrated the ability to meet the City's needs and performed the additional plan check and inspection work delegated to the firm's team. Due to the increased work assigned to Interwest, staff is requesting an additional amount of \$148,429.10 to cover the extra costs incurred from increased workload. The bulk of the funds are needed for plan review fees charged by Interwest, as the firm's fee structure requires that Interwest collect a percentage of the City's Plan Review Fee charged to the customer. Thus, larger complex projects with higher plan review fees result in larger fees payable to Interwest. While the additional services provided were performed within the Services Agreement term period, City staff received invoices after the contract expiration date. The funds requested would cover five outstanding invoices for plan reviews conducted in February 2024 and building inspection services, plan reviews, building and safety plan reviews, and engineering plan reviews all performed in July 2024.

Amendment No. 3 requires City Council approval pursuant to VMC Section 3.32.030(A) as the total value over the lifetime of the contract with Interwest Consulting Group, Inc. exceeds \$100,000.

The proposed amendment has been reviewed and approved as to form by the City Attorney's Office.

Fiscal Impact

Much of Interwest's fees for service are offset by the permit and inspection fees collected from developers. Funds for on-call plan check and inspection services were included in the FY 2024-25 General Fund, Public Works Department, Building Regulations Division, Professional Services Account No. 011-040-405-529225 in the amount of \$200,000. However, approval of this action would require an additional appropriation of \$148,429.10 in General Fund, Public Works Department, Building Regulations Division, Professional Services Account No. 011-040-405-529225 from General Fund Unassigned Fund Balance.

Attachments

1. Amendment No. 3 with Interwest Consulting Group, Inc.