

REPORT TO THE CITY COUNCIL



DATE: April 17, 2018

TITLE: Community Development On-Call Services

Prepared by: Daniel Porras, Community Development Director

RECOMMENDATION

Authorize the City Manager to execute a Community Development On-call Services Agreement with PPM Group in an amount not to exceed \$200,000, for On-call Development Services.

BACKGROUND

The City recently has experienced a significant increase in development and construction work which has sparked great economic stability and growth to the City. Over the last twelve months the Community Development Department has filled both vacant and new positions to meet the demands of the department while continuing to provide excellent customer service.

Since future development comes and goes over time it is essential to have “on-call” services available to provide for plan checking, construction inspections, project management, and engineering services during the peak periods. At any time when such services are no longer needed the City can reduce on-call staffing.

Below is a table showing total number of Community Development permits issued over the last 5 fiscal years. The table below shows a trend with an increase in development and construction activities. If these increases continue, on-call services will be available to provide additional necessary trades. If development declines, on-call services needs will also decline.

Community Development Permit Report									
Fiscal Year	CUP	Building T.I Commercial/ Industrial Permits	Building New Single Family Residential Permits	Building Patios Permits	Building Pool Permits	Building Solar Permits	Building HVAC Permits	Grading Inspection Permits	Engineering Plan Checks
(12/13)	3	11	0	25	6	71	152	1	4
(13/14)	5	12	10	22	11	97	165	3	6
(14/15)	23	17	22	31	12	240	111	25	8
(15/16)	19	19	25	33	15	272	147	29	18
(16/17)	38	41	46	38	17	246	246	36	40
(17/now)	29	18	26	18	19	175	180	47	61

Currently the largest increase in development has been due to the cannabis industry, specifically cannabis cultivation. Below is a summary of the cannabis related project activity;

- 64 Cannabis Conditional Use Permits Approved
- 2 Cannabis Conditional Use Permits in Process
- 12 Cannabis Projects in construction
- 3 Cannabis Projects in temporary operations
- 5 Cannabis Projects in Full Operation
- 8 Cannabis Dispensaries in Operation

Currently the City also has an extensive list of Capital Improvement Projects in Planning, Design, and Construction phases. We are expecting to begin construction on eleven (11) large projects during fiscal year 2018-19 which will require daily and special inspections, as well as management for the duration of each project. Below is a list of the construction projects that are scheduled to begin this year:

1. New City Hall - \$5.7 Million
 - 13,000 Square Feet Administrative Office with Council Chambers
2. Palm Drive Traffic Signals and Lighting Project - \$3.3 Million
 - New Traffic Signals, Street Lighting, and Traffic Signal Interconnect along Palm Drive from Pierson Blvd to Camino Aventura.
3. Indian Ave Widening Project - \$3 Million
 - Adding one lane each direction to Indian Avenue from I-10 to Dillon Rd
4. 8th Street Storm Drain Project - \$3 Million
 - Installation of new Storm Drain System along 8th St between Mesquite Ave and West Drive
5. Palm Drive Bicycle Pedestrian Improvement Project - \$1 Million
 - New Street Lights, Sidewalks, Bike Lanes, ADA Ramps along Palm Drive between Camino Aventura and Two Bunch Palms Trail
6. City-wide Asphalt Overlay, Paving, Road Rehabilitation Project - \$400,000
 - Road rehabilitation along various road segments City-wide
7. Desert View Sidewalk Project - \$400,000
 - New sidewalk along Desert View Rd between Palm Drive and Verbena Ave
8. Mission Lakes Walking Park - \$200,000
 - New walking park at Palm Drive and Mission Lakes Blvd
9. Palm Drive Entryway and Median Improvements - \$100,000
 - New sidewalks, landscaping, and median improvements to Palm Dr at I-10 entryway.
10. Palm Drive Median Curb Improvements - \$80,000
 - Median improvements along Palm Drive
11. Re-striping of Mission lakes and Two Bunch Palms Trails - \$30,000

In order to deliver these projects' plan checks, inspections, and approvals, while also continuing to move all other private developments' plan checks, inspections, and approvals, an on-call services contract provides the necessary staffing and trades on an as-needed basis.

DISCUSSION

City Staff reached out to consulting firms that provide on-call services to other agencies and requested a Statement of Qualifications and corresponding hourly rates. Staff received (3) three Statement of Qualifications from the following consulting firms, while other chose not to submit.

1. PPM Group
2. Dudek
3. HCG LLC

City Staff reviewed and analyzed the proposal based on completeness, qualifications, and references. Staff also compared costs of the following key positions among the proposals.

Position	PPM Group	Dudek	HCG
Project Manager/Engineer	\$130-\$135	\$140-\$210	\$165-\$200
Construction Manager/Engineer	\$95-\$115	\$135-\$150	none submitted
Public Works Inspector	\$100-\$125	\$105-\$125	none submitted

Based on the Statement of Qualifications and the correlation on the various necessary trades and demands for the City, Staff selected the most qualified consulting firm as PPM Group. Under the City Managers' expense authority, Staff proceeded with adding one key staff personnel to the Engineering Department on an on-call, as-needed basis. This on-call staff was needed to help alleviate a back-log of plan checks and to address other engineering process needs. Since the addition of the staff member, the City has now implemented a faster, more effective streamline process for Engineering plan checks and approvals. Based on the positive experience and results, City staff now would like to proceed with approving an annual On-call Development Services Agreement in an amount not to exceed \$200,000 per year for one year, with an optional one-year extension to be approved administratively. This annual amount is an estimated figure; the City will only expend funding as-needed based on development needs.

Staff is recommending that the City Council authorize the City Manager to execute an On-Call Professional Services Agreement with PPM Group in the amount not to exceed \$200,000 annually for Community Development On-Call Services for the City of Desert Hot Springs.

FISCAL IMPACT

Funds have been appropriated in the FY 2018-19 for a total of \$415,000 and FY 2019-20 budget for a total of \$385,000 for engineering services. If approved, there is sufficient funding to cover a "not to exceed" total of annually \$200,000 each fiscal year under line item 001-41-63-4320.

EXHIBIT(S)

- 1) PPM Group - Statement of Qualifications
- 2) Dudek - Statement of Qualifications
- 3) HCG LLC - Statement of Qualifications
- 4) DRAFT - On-Call Professional Services Agreement