



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Elizabeth Gibbs, City Manager

PREPARED BY: Nate Smith, Deputy Director of Public Works/City Engineer
Art Vela, Director of Public Works

MEETING DATE: March 10, 2026

SUBJECT: Consideration of Resolution 2026-45, Approving Amendment No. 5 to the Professional Services Agreement with Engineering Resources of Southern California for an additional \$1,600,000 for Plan Check, Inspections and Related Administrative Services and Extending the Contract Term to June 30, 2027

RECOMMENDATION:

Adopt Resolution 2026-45

BACKGROUND:

On May 9, 2023 City Council approved Resolution 2023-88, "Awarding a Professional Services Agreement to Engineering Resources of Southern California (ERSC) in the Amount of \$550,000 for Plan Check, Inspection and related Administrative Services through Fiscal Year 2023/24 with the Option to Renew for Four Additional Single Years" after a competitive open bid process. ERSC has continued to provide a high-level quality of service and reliable and consistent plan check and inspection services to the City during the contract. The consistent and reliable services have provided continuity to development projects in process with the Public Works Department throughout this time, including construction inspection services ensuring that development installs City infrastructure consistent with City standards.

On January 9, 2024, the City Council adopted Resolution No. 2024-08 approving Amendment No. 1 to the professional services agreement with ERSC for an additional \$450,000 for plan check, inspections and related administrative services.

On April 9, 2024, the City Council adopted Resolution No. 2024-53 approving Amendment No. 2 to the professional services agreement with ERSC for an additional \$900,000 for plan check, inspections and related administrative services and to extend the agreement through June 30, 2025.

On December 10, 2024, the City Council adopted Resolution 2024-198 approving Amendment No. 3 to the professional services agreement with ERSC for an additional \$1,000,000 for plan check, inspections, and related administrative services.

On September 9, 2025, the City Council adopted Resolution 2025-124 approving Amendment No. 4 to the professional services agreement with ERSC for an additional \$500,000 for plan check, inspection, and related administrative services.

ERSC primarily provides plan check and inspection services to the Atwell project, and that project's vast

onsite and offsite civil improvements. They will also provide primary plan check services for the Rancho San Gorgonio project as they prepare entitlement documents and final engineering/construction drawings. All plan check and inspection fees are pass through user fees. The Public Works Department assesses plan check and inspection fees to tract home developers based on City Council approved rates. With the allocation considered in Amendment No. 5, Public Works staff will not authorize ERSC to commence with work until the user fees have been collected for said work. In the event that development activities stop within the Atwell project, the user fees will not be collected, work will not be authorized, plan check and inspection services will not be initiated, and the full requested amount in Amendment No. 5 will not be utilized.

This amendment also revises the payment terms of the contract from a Time and Materials basis to a Fixed Fee basis for developer plan check services. This compensation methodology is consistent with the revised User Fees adopted by City Council that established fixed rates and per sheet fees for plan check services. Utilization of this payment methodology ensures that fees collected for plan check service by the Public Works Department are paid directly to ERSC as a lump sum to complete the scope of work, and reduces the carrying time that the City would collect and expend the revenues. The payment methodology for inspection services and related administrative services will remain on a time and materials basis.

JUSTIFICATION:

ERSC was awarded a Professional Services Agreement to provide the required services with Resolution 2023-088. Prior to the award of this contract, an RFP was put out for open competitive bid. A review committee deemed that ERSC was the highest ranking bidder for the project. ERSC has provided a high-level service for both plan check and inspection services from any of the vendors contracted by the City to provide similar services. The plan check services have been the most consistent, and staff at ERSC is regularly in contact with City identifying concerns and ensuring that developers prepare plans consistent with City Standards. The inspections team works as an extension of City staff, providing inspection services, support and backup to ensure that contractor submitted change orders are justified, and participates in meetings ensuring that the City's interests are met. The Public Works Department does not have the staff resources to complete services currently provided by ERSC.

The new fee schedule utilized by Public Works for plan check purposes sets a fixed rate for ERSC (or any other/future consultant) to perform certain plan review tasks as shown in Exhibit C-2. The portion of the total fee retained by the City covers administrative costs incurred by the City in the processing engineering plans, reports, and documents. These costs are paid by project applicants to ensure 100% recovery of costs in accordance with Section 3.36.080 of the Banning Municipal Code. This fee assumes three (3) plan review cycles. The adopted fee schedule includes additional fees for applications that exceed 3 plan reviews. To minimize the occurrence of the plan check process exceeding three (3) reviews, the Engineering Division will hold mandatory meetings with applicants after the 2nd plan check to ensure that all parties understand outstanding issues to get to plan approval at the 3rd plan check. This process can reduce processing time and clearly identify items that need to be addressed prior to plan approval.

FISCAL IMPACT:

Amendment No. 5 would increase the Professional Services Agreement with ERSC to a "not to exceed" amount of \$5,000,000. Amendment No. 5 would require an appropriation of \$1,600,000 to Account No. 001-3000-442.33-53 - Engineering Services. A concurrent budget adjustment would be an equal anticipated revenue of \$1,600,000 to Account 001-3000-351.35-55 - Subdivision Plan Check/Inspection. This action reflects the pass through nature of the collected plan check fees and will not have a net effect on the General Fund.

ALTERNATIVES:

BUDGETED?:

No

CONTRACT/AGREEMENT:

No

ATTACHMENTS:

1. [Resolution 2026-45.docx](#)
2. [Amendment No.5 to PSA Plan Check and Insp.docx](#)
3. [Amendment No.5 to PSA Plan Check and Insp Exhibit C-2.pdf](#)
4. [SR and Reso 2023-088.pdf](#)
4. [SR and Reso 2024-08 ERSC Amendment 1.pdf](#)
5. [SR and Reso 2024-54 ERSC Amendment 2.pdf](#)
7. [SR and Reso 2024-198 ERSC Amendment 3.pdf](#)
8. [SR and Reso 2025-124 ERSC Amendment 4.pdf](#)