



## CITY OF BANNING STAFF REPORT

**TO:** CITY COUNCIL

**FROM:** Douglas Schulze, City Manager

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

**MEETING DATE:** December 10, 2024

**SUBJECT:** Consideration of Resolution 2024-198, Approving Amendment No. 3 to the Professional Services Agreement with Engineering Resources of Southern California for an additional \$1,000,000 for Plan Check, Inspections and Related Administrative Services

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### **RECOMMENDATION:**

Adopt Resolution 2024-198.

### **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 and past contract period (FY2018/2019 to FY2022/2023). 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 to through June 30, 2025.

ERSC primarily provides plan check and inspection services to the Atwell project, and that project's vast onsite and offsite civil improvements. The Atwell project continues to develop at a rapid pace in their Phase 1 and Phase 2 areas north of Wilson Street and south of the Southern California Edison power line corridor. There are six tracts of homes in those phases where grading has begun, and civil infrastructure improvements will follow. Public Works staff estimates that the funds requested with this allocation will suffice through the remainder of the fiscal year, based on the amount of work that is anticipated in the coming months.

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. 3, 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 stops 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. 3 will not be utilized.

Included with Amendment No. 3 is an \$200,000 appropriation from the Water Capital Facilities Fund (661). The funding requested would be for ERSC to provide inspection services related to the Ramsey Waterline Upsizing Project that was approved by City Council with Resolution 2024-166. This expense is anticipated as a project expense to deliver the capital project.

Approval of Resolution 2024-198 will provide 1) authorization to expend up to the requested amended contract amount, and not a guarantee of contract value and 2) approval of an appropriation from the Water Capital Facilities Fund for inspection services for the Ramsey Waterline Upsizing project that was approved by City Council via Resolution 2024-166.

**JUSTIFICATION:**

ERSC was awarded a Professional Services Agreement to provided 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 the highest 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.

**FISCAL IMPACT:**

If approved, Amendment No. 3 would increase the Professional Services Agreement with ERSC to a "not to exceed" amount of \$2,900,000. Amendment No. 3 would require an appropriation of \$200,000 from Water Capital Facilities Fund 661 to Account No. 661-6300-471.95-10 for inspection services related to the Ramsey Waterline Upsizing Project. Additionally, an appropriation of \$800,000 from the General Fund to Account No. 001-3000-442.33-53 would be required to cover continued plan check and inspection services.

The expenditures funded by the General Fund will be fully recovered by plan check and inspection user fees paid by developers. No expenditures would be incurred until said fees are collected by the Public Works Department.

**ALTERNATIVES:**

Do Not Approve Resolution 2024-198 and provide alternative direction to staff. If the resolution is not approved, the City will need to cease inspection services through ERSC, which would slow or stop City capital projects, including the Ramsey Waterline Upsizing Project, as well as continued development at the Atwell project in the intervening time between this action and when the City is able to run through the required process to comply with the alternative direction given.

**BUDGETED?:**

Yes

**CONTRACT/AGREEMENT:**

Yes

**ATTACHMENTS:**

1. [Resolution 2024-198 ERSC Amendment No. 3.docx](#)
2. [Exhibit A - ERSC Amendment No 3 to PSA.pdf](#)
3. [SR and Reso 2023-088 Award PSA to ERSC.pdf](#)
4. [SR and Reso 2024-08 ERSC PSA Amendment 1.pdf](#)
5. [SR and Reso 2024-54 ERSC PSA Amendment 2.pdf](#)
6. [SR and Reso 2024-166 Award Ramsey Street Water Line.pdf](#)