



Administrative Report

N.4., File # 20-1071

Meeting Date: 8/18/2020

To: MAYOR AND CITY COUNCIL

From: BRANDY FORBES, COMMUNITY DEVELOPMENT DIRECTOR

TITLE

DISCUSSION AND POSSIBLE ACTION REGARDING PROVIDING BUILDING DIVISION APPLICANT WITH OPTION OF THIRD PARTY BUILDING PLAN CHECKING SERVICES

EXECUTIVE SUMMARY

At the June 16, 2020 City Council meeting adopting the Redondo Beach municipal budget, the City Council requested that staff provide a report regarding the possibility of providing an expedited plan check process. This report addresses the history of staffing and procedures for Building Division plan check, the current plan check fee and contract structure, and options for this potential service offering of expedited plan check.

BACKGROUND

At the budget hearing, the question was raised on whether the Building Division could implement an expedited plan check process. As was discussed at that budget hearing, this potential service offering is intended to be complementary to current staffing functions rather than in lieu.

Building Plan Check Background on Process and Staffing

When the City receives an application for plan check, that includes review by the Building Division, Planning Division, Engineering Division, Fire Division, etc. The more complete and correct the application is, fewer steps are required to complete plan check. For every residential and commercial addition, alteration, new construction, tenant improvement, and other work being done in the City of Redondo Beach, full sets of working drawings/technical construction documents are required to be submitted, reviewed, and approved by various City departments before building permit issuance.

The City of Redondo Beach highly recommends using the services of registered licensed professionals to design and provide all necessary documentation for the submittal and review process. An applicant may wish to contact the Building Division early in the design phase, during preparation of these working drawings, to better understand what is required. Staff are able to tell the applicant what permits are likely required, approximately how much they will cost, and what types of drawings are necessary for each project. The most common working drawings/technical construction documents include:

- Property survey
- Foundation plans
- Site plans

- Floor plans
- Framing plans
- Elevation drawings
- Electrical plans
- Mechanical plans
- Plumbing plans
- Building cross sections
- Structural calculations
- Energy conservation plans
- Soils reports
- Fire sprinkler plans

The Planning Division reviews conceptual drawings first to determine that the project plans meet Zoning Code requirements. Once Planning has reviewed the drawings for submittal, the applicant's support professionals prepare the necessary technical construction documents to move forward with submitting their application to the Building Division for plan check. The total fees are calculated at this point, and the applicant pays only the portion of fees associated with plan check. Plan check includes review from the Building, Planning, Fire, and Engineering Divisions simultaneously to evaluate if the plans are complete, if the project meets the municipal code and policy requirements, and what permits are required.

Plan check typically involves a few rounds of City review to ensure that the project fully complies with all zoning, building, fire, and public works code regulations. These reviews will result in a list of "corrections" that the applicant's licensed professional will need to incorporate into revised drawings. The length of time that each plan check takes depends on several factors, including the current number of projects under City review and how quickly the licensed professional incorporates the corrections and submits revised drawings for re-check. Once the corrections are fully incorporated into an applicant's drawings, the drawings are reviewed and stamped approved by each involved department. At that point the applicant can secure their building permit and begin work. The remainder of the fees is collected at this time. A plan check application is valid for six (6) months and building permits must be secured within that timeframe, otherwise a new plan check review is required. It should be noted that extensions can be requested and are typically approved.

The City of Redondo Beach has three plan check staff in the Building Division. The Building Division plan check process has a longer timeframe than Planning (where the conceptual drawing has already been reviewed), Fire, and Engineering. Any consideration of expediting services would be for the Building Division plan check process only.

Building Plan Check Current Fee Schedule and Past Practice

The adopted budget assumes that plan check on most projects is conducted by City staff. Larger projects may be sent to outside plan check consultants, or at times when the City is short of staffing. In instances where there is a significantly larger project (such as the upcoming South Bay Galleria site), a separate reimbursement agreement with the applicant may be executed that describes the scope and cost of supplemental contract services.

The current budget and contract structure are set up so that if a project is sent to an outside

consultant, the consultant gets a large percentage of the plan check fee, regardless of hours worked on the review. Under this structure, the cost of staff time to administer plan check may not be covered due to a majority of the fee going to contractors instead of going toward city revenue which covers Department salaries. If the outside review option is utilized too frequently, the City may not receive enough plan check fees to meet budget revenue estimates.

Building Plan Check Expediting Impacts to Fee Schedule and Contracts

Other Municipalities' Expediting:

Staff reached out to El Segundo, Manhattan Beach, Hermosa Beach, and Torrance to see which municipalities may be utilizing third party Building Division plan check expediting services. Although Hermosa does not expedite, they do send out all Building Division plan check to contractors. Manhattan Beach, El Segundo, and Torrance all offer expedited plan check for Building Division review, charging an extra 50% fee or another mark-up charge. As well, their contracts are based on actual hours worked, not a set percentage of the plan check fee. And although Building Division plan check is expedited in these communities, Planning and other division reviews are not outsourced.

- Manhattan Beach charges an extra 50% fee for expediting on top of the regular Building Division plan check fee.
- Torrance charges a mark-up that varies based on project valuation.
- El Segundo charges an extra 50% fee. They recently went out for RFP and were able to qualify nearly 10 firms to choose from for expedited plan check.

In each of these cases, the request by the applicant to expedite is a voluntary one, and thus the additional fee is something the applicant is opting to accept. This covers a similar increase in the hourly rate charged by the consultant to do the expedited review, thus fully covering the contract cost of having the consultant do the expedited work.

Revisions Required to Implement Building Plan Check Expediting:

This discussion item is for City Council to determine if they want to pursue the implementation of building plan check expediting services and at what cost and surcharge. There exists an expediting fee of an additional 50% charge of the Building plan check fee in the current Fee Schedule, although there is not a procedure in place to provide the expedited service. If City Council gives direction to pursue this option, the following will be needed to complete implementation:

- Discuss if Council wishes to revise the fee. If revised, any new fee would need to be adopted by resolution and included in the City's Master Fee Schedule.
- Issue an RFP for contractors that creates a rate structure for supplemental contract services.
- Create contracts with various qualifying consultants for hourly rates for both non-expedited and expedited services.
- Once contracts are in place, the process can be implemented and plan check application can be revised to include the option for expediting.

As noted earlier, Planning, Fire, and Engineering reviews are not expedited, but would still run concurrently with the Building Division reviews.

Expediting is of the review of the building plans, as this is the area of review that most typically requires corrections and re-submission. The timeline of initial review and subsequent reviews is

expedited, but the timeframe for the applicant to make the required revisions and re-submit would continue to be dependent on the skill and availability of the applicant's design and engineering professionals.

COORDINATION

This report has been coordinated with the City Manager's office. Staff consulted with outside municipalities to understand other practices and services.

FISCAL IMPACT

The cost of preparing this staff report is part of the Community Development Department's annual work program and is included in the Department's portion of the adopted 2020-2021 Annual Budget.