

COMMUNITY DEVELOPMENT DEPARTMENT

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CITY COUNCIL STAFF REPORT

Date: September 16, 2025

<u>Subject</u>

Approve a First Amendment to the contract with Independent Code Consultants, Inc., for an increase of \$120,000 to provide On-Call Plan Review Services for FY26 for a total not-to-exceed amount of \$315,000.

Recommended Action

1. Authorize the City Manager to execute a first amendment to the existing consultant agreement with Independent Code Consultants, Inc. to provide On-Call Plan Review Services, increasing the contract amount by \$120,000 for a new total not-to-exceed contract amount of \$315,000.

Background

In 2018, the City undertook a RFQ process for professional plan review services. The contract for the On-Call Plan Review services was awarded to Independent Code Consultants, Inc. (ICCI) based on the firm's qualifications, past performance on projects, and its talented team of established and experienced individuals and licensed professionals. On June 26, 2024, the City entered into an agreement with ICCI for On-Call Plan Review Services. The agreement covered Fiscal Year 2025 and Fiscal Year 2026, with a total not-to-exceed amount of \$195,000. Due to a higher than anticipated volume of permit activity, more projects were sent out to ICCI for plan review services. As a result, 96 percent of the total not-to-exceed amount was expensed in fiscal year 2025.

On June 3, 2025, the FY 2025-26 budget was adopted by City Council, which included a budget adjustment to the On-Call Contracts account GL 100-73-714 701-701 in the amount of \$440,000. However, because the City anticipates that the volume of permit activity will continue to increase, the City will undergo another RFP process in the next three months for a multi-year agreement for plan review services. We are now allocating \$120,000 through the proposed contract amendment to cover expected permit activity through the end of the year and to cover invoices from higher than expected permit activity from the last three months.

Reasons for Recommendation and Available Options

Building permits continue to come in at a high volume and the City must continue to process them within the state-regulated review timeline. AB 2234 stipulates that jurisdictions must

ascertain the completion of a post-entitlement phase permit application within 15 days of its submission. Project reviews for developments consisting of 25 units or fewer must be finalized within 30 days, while those with 26 units or more require completion within 60 days. The use of consultant plan reviewers allows the Community Development Department to comply with the mandate while maintaining the daily workflow timelines as expected by our citizens.

Plan Review consultants are utilized for additional assistance as needed. When large projects come through that require a sudden high volume of work and span multiple engineering sectors, the impact would cause a delay in daily operations and services such as plan review for smaller projects for our residents and the Cupertino community, and counter reception and assistance. Having the plan review consultants on-call for larger projects maximizes efficiencies since the consultants have large teams of specialized staff to review and process building permits. The flexibility of having the consultants on-call is advantageous in adjusting to the ebbs and flows of the influx of projects. This flexibility is key to managing the flow of the workload in the most efficient way possible.

If the recommended option is not adopted the turnaround time on building permit plan reviews will not meet the city's service level agreement nor satisfy the requirements imposed by the state in AB 2234.

Based on the findings outlined above, staff recommend approving the proposed action to ensure continued, uninterrupted delivery of plan review services to the Cupertino community.

Sustainability Impact

No sustainability impact.

Fiscal Impact

Plan Review costs are pass-through and paid for via plan check fees charged by the City and paid by the applicants. There is no actual funding allocation from the city to pay for services. As mentioned above there is sufficient budget authority for this contract amendment in 100-73-714 701-701.

Vendor	Independent Code Consultants, Inc. (ICCI)
Contract	On-Call Plan Review Services
Current	
Contract	
Amount	\$195,000.00
FY26	
Amendment	\$120,000.00
New Total	\$315,000.00

<u>City Work Program (CWP) Item/Description</u> None

California Environmental Quality Act

No California Environmental Quality Act impact.

Prepared by: Robert Dacanay, Management Analyst

Reviewed by: Benjamin Fu, Director of Community Development

Floy Andrews, Interim City Attorney

Approved for Submission by: Tina Kapoor, Interim City Manager