



COMMUNITY DEVELOPMENT DEPARTMENT

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CITY COUNCIL STAFF REPORT

January 21, 2026

Subject

Award cost pass-through contracts to West Coast Code Consultants, Inc., Independent Code Consultants, Inc., and BPR Consulting Group for the review of building permits and associated budget modification, and approving a Second Amendment to an existing contract with Independent Code Consultants, Inc., for an increase of cost pass-through amount of \$200,000 to provide On-Call Plan Review Services for FY26 for a total not-to-exceed amount of \$515,000 for existing services.

Recommended Action

- A. Approve the selection of West Coast Code Consultants, Inc., Independent Code Consultants, Inc., and BPR Consulting Group to form a pool of qualified consultants for on-call building plan review services.
- B. Authorize the City Manager to execute a Master Professional/Specialized Services Agreement with each of the three firms for a three-year term, with a total not-to-exceed cost pass-through amount of \$500,000 per consultant, for a total of \$1,500,000.
- C. Authorize the City Manager to execute a second amendment to the existing consultant agreement with Independent Code Consultants, Inc., to provide On-Call Plan Review Services, increasing the contract cost pass-through amount by \$200,000 for a new total not-to-exceed contract amount of \$515,000 for existing services.

Background

In 2018, the City conducted a (Request for Quotes) RFQ process for professional plan review services. The contract for 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 assembly 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 Years (FY) 2025 and 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 to ICCI for plan review services. As a result, 96 percent of the total not-to-exceed amount was expensed in FY 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. On September 16, 2025, the City Council approved a first amendment to the agreement for \$120,000. Because the City anticipates the volume of permit activity will continue to increase,

\$200,000 is being allocated via the proposed contract amendment to cover existing and expected services until the new contracts are executed.

The Building Division's use of on-call professional plan review consultants is a key strategy for ensuring the Community Development Department meets its operational and service goals. This flexible, fee-supported model allows the Building Division to:

- Effectively manage fluctuating development workloads;
- Maintain responsive, high-quality customer service; and
- Meet the technical requirements of state-mandated permit review timelines.

To establish a strong pool of qualified firms, the Building Division issued a Request for Qualifications (RFQ) in October 2025. Following a comprehensive review of the 12 proposals received, staff identified the three most qualified firms for selection. Executing pass-through contracts with these firms is a critical step to secure the specialized resources necessary to manage an increasing workload and guarantee the Division's ability to provide timely, efficient, and compliant plan review services.

Reasons for Recommendation

From a fiscal and staffing perspective, the on-call consultant model is a highly prudent approach for managing the unpredictable nature of development. The construction industry is cyclical; hiring permanent, full-time staff to handle peak workloads would result in significant underutilization and unnecessary expense during slower periods. This model avoids the long-term overhead costs associated with salaries, benefits, and pensions for positions that may not be needed year-round. Because the contracts are structured as "cost pass-through," the service is fully fee-supported by the permit applicants who require the review, resulting in no fiscal impact on the City's General Fund.

Operationally, this model is crucial for maintaining consistent service levels for all members of the community. When complex residential projects or large commercial tenant improvements are submitted, it can demand extensive time for specialized engineering review. Assigning such a project to on-call consultants prevent the Division's in-house staff from being completely consumed by a single permit. This ensures that smaller, more routine projects, like residential remodels and additions, are not forced into a long queue. In essence, it allows the Building Division to process projects of varying scales concurrently, serving the entire community's needs without creating bottlenecks.

Modern construction often involves highly specialized engineering that falls outside the scope of a general plan check engineer. This can include complex structural systems (e.g., post-tensioned concrete), advanced fire-life safety and smoke control systems, or unique accessibility challenges. Maintaining full-time staff with expertise in every possible discipline is not feasible. The on-call model provides the Division with immediate access to a deep pool of talent, allowing the engagement of a structural, mechanical, or fire protection engineering expert on an as-needed basis. The City's risk is thus mitigated by ensuring that every project receives the appropriate level of expert review, safeguarding public safety and ensuring code compliance.

Adherence to state-mandated permit timelines is a critical operational imperative, especially with the high volume of permits the city receives. Recent housing legislation, specifically Assembly Bill (AB) 2234, imposes strict, non-negotiable deadlines for processing post-entitlement permits, requiring a completeness review within 15 days, final review within 30 days for housing projects

of 25 units or fewer, and within 60 days for projects of 26 units or more. The use of on-call plan review consultants is the Community Development Department's primary strategy for ensuring compliance with these mandates, as it allows the department to manage complex or time-consuming projects without disrupting the daily workflow expected by the community. The consequences of failing to meet these state-mandated timelines are severe and could include significant fines under the Housing Accountability Act, legal action from developers and the state, and a potential loss of the City's local permitting authority. If the recommended option is not adopted, the turnaround time on building permit plan reviews will not meet the city's service level expectation nor satisfy the requirements imposed by the state in AB 2234.

The effectiveness of this on-call model is demonstrated by historical data shown in the table below, showing that the Division successfully manages most of the work in-house, outsourcing only a small percentage (5% or less) of the most complex, expensive, and time-consuming projects.

Year	Permits Received	Permits Req. Plan Review	Permits sent to Consultants	Percent (%)
2023	2825	2205	103	4.8
2024	2958	2042	98	4.8
2025	3329	2431	116	4.8

The recommended annual amount of \$166,000 per consultant is a forward-looking figure based on two key factors: historical spending and projected growth in permit activity. While the expenditure data in the table below provides a baseline, it does not fully capture the service demand due to periods when the City lacked sufficient on-call contract capacity. Given the consistent increase in permit submittals, the proposed amount provides the necessary flexibility to meet both current and anticipated future demand, thereby ensuring the Division can consistently meet its service level objectives and state-mandated review timelines.

Consultant	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
WC3	\$88,694	\$167,724	\$219,531
ICCI	\$277,793	\$139,395	\$188,033
Total	\$366,487	\$307,119	\$407,564

Expenditure under this agreement is based solely on work performed, ensuring the City only charges for services rendered. Establishing this pre-approved contract capacity is a critical preparedness measure. It ensures the City can handle both anticipated and sudden increases in

workload, thereby maintaining service level expectations and meeting mandated review timelines without delay.

Sustainability Impact

No sustainability impact.

Fiscal Impact

Compensation for on-call plan review services is cost pass-through and fully funded by the plan review fees paid by permit applicants. Permit fees collected are categorized in the finance process as revenue and the payment of consultant plan review is expenditure. The fiscal impact is the total not-to-exceed cost pass-through amount requested.

City Work Program (CWP) Item/Description

Yes, FY 25-27 - Permit streamlining and simplification for small home upgrades: Develop a suite of improvements to (1) improve access to, and (2) speed up the processing of permits for small home upgrades so as to enhance compliance and improve overall efficiency. Improve turnaround times. Set SLA's for staff and outsourced reviewers, customer service KPI's, templates to reduce back and forth, internal staff expertise to reduce consulting expenses.

California Environmental Quality Act

No California Environmental Quality Act impact.

Prepared by: Sean Hatch, Building Official

Reviewed by: Benjamin Fu, Director of Community Development

Floy Andrews, Interim City Attorney

Approved for Submission by: Tina Kapoor, City Manager

Attachments:

A – West Coast Code Consultants, Inc. - Statement of Qualifications

B – Independent Code Consultants, Inc. - Statement of Qualifications

C – BPR Consulting Group - Statement of Qualifications

D – West Coast Code Consultants, Inc. - 3yr Contract

E – Independent Code Consultants, Inc. - 3yr Contract

F – BPR Consulting Group – 3yr Contract

G – Second amendment to agreement 865 between City of Cupertino and Independent Code Consultants, Inc.