



**CITY of CALABASAS**  
**CITY COUNCIL AGENDA REPORT**

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**DATE:** FEBRUARY 27, 2023

**TO:** HONORABLE MAYOR AND COUNCILMEMBERS

**FROM:** MICHAEL KLEIN, COMMUNITY DEVELOPMENT DIRECTOR, AICP  
SPARKY COHEN, BUILDING OFFICIAL

**SUBJECT:** AUTHORIZATION TO APPROVE AMENDMENT NO. 1, FOR  
ADDITIONAL FUNDING IN THE AMOUNT OF \$950,000 TO THE  
PROFESSIONAL SERVICES AGREEMENT FOR BUILDING CODE  
SERVICES WITH M6 CONSULTING, INC.

**MEETING**  
**DATE:** MARCH 8, 2023

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**SUMMARY RECOMMENDATION:**

That the City Council approve Amendment Number 1 for additional funding in the amount of \$950,000 to the existing Professional Services Agreement (PSA) for Building Code Services with M6 Consulting Inc.

**BACKGROUND:**

On March 27, 2019, the City Council authorized approval of a PSA for Building Code Services with M6 Consulting Inc. ("m6") with a budget of \$3,500,000 for a five-year period.

**DISCUSSION/ANALYSIS:**

The purpose of the requested amendment is to increase the contract amount to the current PSA that was approved on March 27, 2019. The requested funding will cover expenses through the terms of the current PSA which ends April 15, 2024.

The requested funding is needed due to an unexpected increase in building permit activity. Based on building activity trends from 2014 to 2019, staff estimated the average monthly cost for Building Code Services would be approximately \$58,000 per month. Building Code Services include, but is not limited to, plan check services, building inspection and general administration of the public counter. However, due to an increase in building permit activity over the past several years, the actual cost for Building Code Services has increased to an average monthly amount of approximately \$75,000. With a scheduled end date of the PSA on April 15, 2024, there will be a projected shortfall of approximately \$950,000. Because Building and Safety permit activity has continued to exceed projections, authorization for additional funding is required to maintain the current level of Building Code Services.

Invoiced expenses for Building Code Services directly correlate to building permit revenue. The building permit revenue trajectory has continued to increase since 2019. The greater the number of active permits equates to the level of staffing required. As the number of issued permits stay consistent or rise, it also dictates how many outsourced Building and Safety staff the City must retain, and conversely, if the issued building permit trends decline, then the City can curtail the use of the outsourced staff accordingly.

The proposed supplement for the agreement also provides capacity to continue to other current staffing levels, which have included the necessary addition of building inspectors, building assistants (a/k/a "permit technicians"), staffing for the CDBG residential rehabilitation program and staffing for the City's film permit program (which was previously contracted to another company).

**FISCAL IMPACT/SOURCE OF FUNDING:**

The agreement and additional funds are fully recovered from revenue generated by permit fees collected. Additional funds are provided by the CDBG program for residential rehabilitation efforts.

**REQUESTED ACTION:**

That the City Council approve Amendment Number 1 for additional funding in the amount of \$950,000 to the existing Professional Services Agreement (PSA) for building code services with M6 Consulting Inc.

**ATTACHMENTS:**

- A: Amendment No 1 to Professional Service Agreement
- B: Current Professional Service Agreement