



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: KATIE KENT, COMMUNITY DEVELOPMENT DIRECTOR
RE: RESOLUTION 24-31, A RESOLUTION APPROVING AN AGREEMENT WITH CBCS FOR A CONTRACT FOR COMPREHENSIVE BUILDING DIVISION SERVICES WITHOUT A COMPETITIVE BIDDING PROCESS.
DATE: AUGUST 27, 2024

Summary and Background: The Building Division is part of the Community Development Department for the Town of Frisco. This Division has rarely been fully staffed in over eight years, despite numerous and competitive efforts to recruit staff. Other municipalities in Summit County also struggle to recruit and retain staff within their Building Divisions, and staff acknowledge that this is a challenge across the industry. Specific to Frisco, complaints are also received from homeowners and contractors regarding the length of time it takes current staff to review applications, issue permits, etc. Complaints are also received regarding frustration with the level of customer service provided by staff within the Division in reference to responses to emails, phone calls, and helpfulness. Historically, the Town has utilized third party consultant services to assist with certain plan reviews and inspections for the Division, but these third-party consultants are not historically utilized to their full capacity.

The department heads for the Community Development Department have worked closely with staff from the Building Division over the years to improve services. Despite these efforts, the level of service and the timeliness of reviews have not improved, and my belief is that the Town's inability to keep the Division fully staffed is largely to blame. Staff recently further analyzed additional options to improve the services of the Building Division, and through this analysis, is recommending the elimination of the Building Division internally, and contracting out all Building Division services to a third-party consultant. Contracting out all Building Division services to a third-party allows for overall cost savings and better customer satisfaction through the timeliness of building, mechanical, and plumbing application intake, processing, reviews, permit issuance, and inspections. An agreement to contract out all Building Division services for the Town of Frisco is before Council at this time for approval.

Analysis: The current staff within the Building Division is comprised of one (1) Building Official, one (1) Building Inspector, and one (1) Permit Technician who also assists the Planning Division within the Community Development Department with application intake. There are an additional two (2) Building Inspector/Plans Reviewer (one part time, one full time) positions that are currently vacant and whose work is contracted out to a third-party consultant, Comprehensive Building Code Services, LLC ("CBCS").

The Town entered into a contract with CBCS on September 27, 2023. The scope of work within the existing contract includes:

- Building inspection services, 5 days a week with a few exceptions on holidays
- Plan review services for IRC, IBC, Plumbing Code, and Mechanical Code
- Plan reviews are on a timeline based on project type.

Since September 2023, CBCS has shown full compliance with the timelines they stated in their scope of work. Feedback from contractors received has been positive and the Town Manager and Community Development Director have not received complaints on customer service during communications with contractors, including inspections that have been provided by CBCS on an average of five days a week.

In response to a request by the Community Development Director for a proposal to provide a scope of work and associated fee schedule for all Building Division services, CBCS, owned by John Schumacher, submitted a full scope of work for Building Division Services. This scope of work is comprehensive and accounts for all needed services within the Building Division. The fee schedule is also fair and reasonable.

Financial Impact: The contract with CBCS is for \$406,200 annually, divided equally into monthly payments. The 2025 budget for wages for the Building Division, which includes employee payroll, taxes, costs and benefits, is \$489,060. Dissolving the Building Division and outsourcing all functions to CBCS for a year, translates into an annual savings of \$82,860. An additional savings will also be found in contracted services as \$79,265 has been paid to CBCS for third party consultant services between January 1, 2024 and July 1, 2024, and will no longer be expensed with this new agreement. Overall, contracting all Building Division services with CBCS results in a significant cost savings to the Town. These changes have been accounted for the 2024 and 2025 budgets.

Alignment with Strategic Plan: The Town's Building Division is strongly associated with the strategic objective to provide Progress-Driven Quality Core Services including deliberately interacting with the community and communicating Town business. Additionally, goals for 2024 and beyond under Thriving Economy are specifically directed towards the Building Division's efficiency and level of customer service. Specifically stated as "2024 and Beyond Project Goals" include:

- Continue to expand, deepen, and improve community outreach efforts.
- Staff organization optimal for conditions.
- Continue to enhance and enforce the use of the online development review and building inspection program to provide better transparency and efficiency.
- Sound development and building regulation program that emphasizes equity, efficiency, and customer service.

By contracting out the Building Division services, these goals will be accomplished, and Quality Core Services will improve.

Environmental Sustainability: Not applicable

Staff Recommendation:

Staff recommends terminating the current agreement with CBCS and approving Resolution 24-31, approving a new agreement with CBCS for a contract for comprehensive Building Division services without a competitive bidding process.

Under section 9-3 of the Town Code, the Town Council is authorized to approve a contract for goods or services without a competitive bidding process when, in the opinion of the Council, the

goods or services are best obtained from a single source due to specialized skills, knowledge or experience, unique and relevant experience, knowledge of the Town or exceptional qualifications or reputation in the field. Council shall by motion, resolution or ordinance describe the factors that cause it to approve such contract without a competitive bidding process.

CBCS's work to-date in performing building services for the Town have shown their specialized knowledge and experience including utilizing the Town's permit software and understanding the current building projects and contractors involved in each project. The proposed agreement is fair and reasonable in light of the market for similar services. Accordingly, the additional scope of services is best obtained from a single source without a competitive bidding process.

Reviews and Approvals: This report has been reviewed and approved by:
Tom Fisher, Town Manager
Diane McBride, Assistant Town Manager
Leslie Edwards, Finance Director

Attachments:
Attachment A: Contract for Goods and Services with CBCS
Attachment B: Resolution 24-31