



City of Morgan Hill

Legislation Text

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CITY COUNCIL STAFF REPORT **MEETING DATE: OCTOBER 19, 2016**

PREPARED BY: Dat Nguyen, Finance Director/Administrative Services Department
APPROVED BY: City Manager

NBS GOVERNMENT FINANCE GROUP CONTRACT AMENDMENT FOR REVIEW OF FEES ASSOCIATED WITH DEVELOPMENT SERVICES ACTIVITIES

RECOMMENDATION(S)

Adopt resolution:

1. Approving the contract amendment with NBS Government Finance Group; and
2. Amending the approved FY 2016/2017 budget to appropriate \$17,500 from Fund 206 (Community Development Fund).

COUNCIL PRIORITIES, GOALS & STRATEGIES:

Ongoing Priorities

Maintaining fiscal responsibility
Preserving and cultivating public trust

REPORT NARRATIVE:

The City has contracted NBS Government Finance Group (NBS) to review and evaluate its Planning and Building fees associated with development services activities. When bids were solicited for a fee study in December 2014, the contract was subsequently awarded to NBS in March 2015. However, the City did not include the review and evaluation of Engineering fees. Subsequently, the NBS fee study was put on hold as the City engaged Zucker Systems to conduct an operational review of the City's development services process and delivery system. Improving review and approval services for commercial, industrial, and residential developers is a key component to the development and enhancement of long-term economic development prospects for the City and for providing sustainable services to the residents of Morgan Hill.

On August 24, 2016, the City Council received the Zucker Report, and directed staff to resume the NBS fee study, taking into consideration the changes proposed in the report. The proposed changes identified in the Zucker Report include the Engineering re-structuring and position reclassifications.

The amendment to the contract with NBS is necessary to account for the aforementioned additional

scope of work. In addition, the amendment would take into account the most recent approved FY 2016-17 expenditure and salary data. The amendment will increase NBS' original contract not-to-exceed amount of \$31,950 by an additional \$17,500, for a new total not-to-exceed amount of \$49,450.

COMMUNITY ENGAGEMENT: **Not Applicable**

ALTERNATIVE ACTIONS:

None.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Council approved the original contract with NBS Government Finance Group on March 4, 2015.

FISCAL AND RESOURCE IMPACT:

The cost for the additional scope of work requires a budget amendment to the Community Development Fund (Fund 206) Engineering of \$17,500.

CEQA (California Environmental Quality Act):

Not a Project

Approval of this contract amendment and the associated budget appropriations result in no changes to the physical environment.

LINKS/ATTACHMENTS:

Resolution

Exhibit A - Budget Scorecard

Exhibit B - Continuance and First Amendment to NBS Contract