



MEMORANDUM

TO: Byron Johnson, Director of Purchasing

FROM: Greg Guernsey, Director
Planning and Development Review

DATE: August 25, 2010

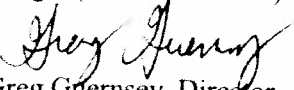
SUBJECT: Professional Services Contract for Cost of Service Study for Planning and Development Review One Stop Shop

It has been many years since the fees charged by the City of Austin for Development Review, Permitting Review, and Building Inspections have been reviewed in a comprehensive manner. The combination of the recent reorganization of the Watershed Protection One Stop Shop and the Planning Department into the Planning and Development Review Department and current economic conditions makes it an ideal time for this activity to occur. The City Auditors office also conducted an audit of the One Stop Shop prior to consolidation that concluded a cost of service study should be conducted as soon as possible. The comprehensive nature of development regulations and ordinances in Austin preclude simple fee comparisons with other cities and require instead an accounting base cost of service study as cited by Governmental Financial Officers Associations. This type of study is typically conducted under a professional services contract by highly specialized firms.

Planning and Development Review contacted Malcolm Pirnie/Red Oak Consulting, Maximus, and The PFM Group because of their specialization in this type of work to receive preliminary proposals which highlighted specific qualifications of the firms, the project teams they would assign, similar work experience with other jurisdictions, and an outline for their proposed scope of work.

While all of the firms are qualified, after thorough review of these proposals, PDR has determined that the combination of experience, the project team, the proposed scope of work, and specific knowledge of Austin makes The PFM Group the best choice to perform the cost of service study.

We are therefore requesting City Council approval to negotiate a professional services contract for a cost of service study for the fees currently charged by PDR with The PFM Group. It is anticipated that ultimate cost of this work will not exceed \$100,000. PDR has this amount budgeted for this purpose in the approved 2010 CIP budget (8405 6807 8003).


Greg Guernsey, Director
Planning and Development Review

cc: Don Birkner, Assistant Director PDR
Lisa Nickle, Financial Manager PDR
Leslie Browder, Chief Financial Officer