

**PLANNING AND DEVELOPMENT MEMORANDUM**  
**#09-35**

October 8, 2009

**TO:** Honorable Mayor Kathleen M. Novak and City Council members

**FROM:** William Simmons, City Manager *WAS*  
James Hayes, Director of Planning and Development *JH*

**SUBJECT:** CR-112 - Building Division Outsourcing

**RECOMMENDATION**

Staff recommends approval of the attached Resolution, which, if approved, would authorize the City Manager to execute a contract with Safe Built Colorado, Inc. to provide building permitting, plan review, and inspection services for the City of Northglenn.

**BACKGROUND AND RATIONALE**

Outsourcing public services is becoming an increasingly popular way to control costs. There are some specific reasons to outsource the building permitting, plan review, and inspection services for the City of Northglenn, including:

- Cost savings
  - Revenues will consistently exceed expenditures under the new contract (see analysis below and in the attachment)
  - More efficient use of resources
  - Better use of time and energy
- Economies of Scale
  - Safe Built has existing infrastructure, expertise and capacity
  - Capacity management – risk will now be borne by the contractor
- Greater Focus
  - Allows attention to focus on core activities and projects
- Contract services
  - Services provided via contract – redress/redirection is simpler than with internal services
  - More control over the level of service provided
- Access to Talent
  - Access to larger talent pool in building inspection, permitting, and plan review
  - Access to wider experience and knowledge

There are two distinct categories of outsourced work: Process Work and Project Work. An example of project work may be unique, long-term tasks such as a design/build project, or a creative work product. The outsourcing of the Building Division is considered process work and has the following attributes:

- It is considered “business as usual”
- It repeats
- It has a short-time frame
- It is documented
- It is easily measured
- It minimizes variation between people undertaking the work
- It operates within the status quo
- It is standardized and structured

Staff recognizes there may be some real or perceived down side to outsourcing these services for the City including:

- Higher costs  
The detailed revenue and expenditure analysis demonstrates that the costs will not increase for outsourcing these services and the City will be able to manage costs since the contractor will be paid a portion of the revenue collected.
- Risk exposure  
There are limited risks for Process Work outsourcing since the contractor will be maintaining the status quo. A detailed scope of work has outlined every single service being provided and the cost for those services. The risk is transferred to the contractor to ensure costs do not exceed their revenues, not the City’s.
- Loss of institutional knowledge  
This is a challenge facing local governments and private companies when services are outsourced. A complete transition plan to the new contractor and the fact that the outsourcing is process work reduces this concern.

### **Revenue and Expenditure Analysis**

Over the last several months, staff has been tracking revenue and expenditures in the Building Division of the Department of Planning and Development. Throughout the year, there has been a steady reduction in revenues, which led the staff to consider outsourcing all of the building permitting, plan review, and inspection services for the City. The following is a brief summary of the drop in revenues from 2008 through 2010:

#### **Building Division Revenues**

2008: \$308,887 (audited amount)  
 2009: \$220,927 (estimated)  
 2010: \$218,718 (projected)

Revenues include: contractor licenses, building permit fees, electrical permit fees, right-of-way construction permit fees, and plan review fees, but does not include use tax on construction materials.

## **Building Division Expenditures**

2008: \$426,863

2009: \$385,982

2010: \$240,704 (reduced to 3 FTE and does not include any non-personnel items)

Expenditures include: wages and benefits for 3 FTE, commodities, contractual services, and other operating expenses

Although the staff has worked diligently to reduce expenditures, the reduction in revenues has outpaced any cost saving measures implemented by the Department of Planning and Development. The Building Division is still showing an annual shortfall of over \$22,000 as expenditures continue to exceed revenues. A short spreadsheet has been attached to outline the revenues and expenditures for 2009 and two alternatives for operating the division in 2010. It is important to note that the Public Works Department will be reviewing and issuing right-of-way construction permits in 2010, which further reduces revenues by over \$20,000 and increases the division deficit to over \$42,000. If the resolution is adopted, three (3) FTE will be eliminated from the division's budget in 2010.

Staff is recommending approval of the contract with Safe Built Colorado, Inc. for several reasons:

- The City will retain 25% of all permit and plan review revenues collected, which guarantee the City does not operate this service at a deficit. The use tax, contractor licensing, and right-of-way permitting revenues will not be shared with the contractor.
- Safe Built will be providing a web-based permitting system, which will enable the City to reduce its permit software expenditures by 50%, an additional \$25,000 savings.
- The contract scope of work will have an administrative staff providing service at the counter forty (40) hours per week.
- The contract also specifies quick turnaround times, one-stop permits, written plan review documentation, and online inspection requests. Further, the contract states inspections called in by 7:30am will be inspected the same day.
- In 2008, Safe Built completed approximately 5,125 plan reviews and performed approximately 85,000 inspections for 92 jurisdictions nationwide. In addition, Safe Built provides full building permitting and inspection services to 26 municipalities throughout Colorado including the City of Centennial and the Town of Windsor.
- The core values of Safe Built are in line with the values sought by the City of Northglenn for the building division including: integrity, improvement, respect, teamwork, and service.

### **BUDGET/TIME IMPLICATIONS**

The current Building Division is projected to cost over \$165,000 in 2009 (expenditures exceed revenues). Under this outsourcing proposal, the City would retain 100% of the revenues for right-of-way permits and contractor registrations and 25% of the revenues for building permits, electrical permits, and plan review fees. In 2010, this is projected to generate over \$218,000 in revenues with expenditures projected at just over \$121,000, a positive benefit on the City's budget of \$97,000.

**STAFF CONTACT**

If Council members have any comments or questions they may contact James Hayes at 303-450-8937, [jhayes@northglenn.org](mailto:jhayes@northglenn.org)

**ATTACHMENTS**

Building Services Outsourcing Analysis

Building Services Outsourcing Schedule

Proposal Review for all six bidders

Professional Services Agreement with Safe Built (including Scope of Work and Fee Schedule)

CB-1673: Application of the Building Codes to Existing Permitted Work

**CITY OF NORTHGLENN  
DEPARTMENT OF PLANNING AND DEVELOPMENT  
BUILDING SERVICES OUTSOURCING ANALYSIS**

	2009 Year-End Estimate	2010 Proposed Budget w/o Outsourcing	2010 Proposed Budget w/ Outsourcing	% to City	\$ to City	% to Consultant	\$ to Consultant
<b>REVENUES</b>							
<b>Licenses and Permits</b>							
Contractor Licenses	\$ 50,740	\$ 50,233	\$ 50,233	100%	\$ 50,233	0%	\$ -
Building Permits	\$ 117,899	\$ 116,720	\$ 116,720	25%	\$ 29,180	75%	\$ 87,540
Electrical Permits	\$ 18,885	\$ 18,696	\$ 18,696	25%	\$ 4,674	75%	\$ 14,022
ROW Construction Permits	\$ 20,339	\$ 20,136	\$ 20,136	100%	\$ 20,136	0%	\$ -
<b>User Charges and Fees</b>							
Plan Review Fees	\$ 13,064	\$ 12,933	\$ 12,933	25%	\$ 3,233	75%	\$ 9,700
<b>Total Revenues</b>	<b>\$ 220,927</b>	<b>\$ 218,718</b>	<b>\$ 218,718</b>		<b>\$ 107,456</b>		<b>\$ 111,262</b>
<b>EXPENDITURES</b>							
1100 Wages	\$ 327,200	\$ 185,943	\$ -				
12-1500 Benefits	\$ 46,621	\$ 54,761	\$ -				
2000 Commodities	\$ 2,010	\$ -	\$ -				
3000 Contractual Services	\$ 5,991	\$ -	\$ -				
4000 Other Operating	\$ 4,160	\$ -	\$ -				
Fees to Contractor/Consultant	\$ -	\$ -	\$ 111,262				
Additional Fees for Services	\$ -	\$ -	\$ 10,000				
<b>Total Expenditures</b>	<b>\$ 385,982</b>	<b>\$ 240,704</b>	<b>\$ 121,262</b>				
<b>Total Revenues-Expenditures</b>	<b>\$ (165,055)</b>	<b>\$ (21,986)</b>	<b>\$ 97,456</b>			<b>2009 to 2010 Change (Delta)</b>	<b>\$ 262,511</b>
						<b>2010 Change only (Delta)</b>	<b>\$ 119,442</b>

**Assumptions**

Outsourced building permit and inspection services cost the City 75% of revenues

City retains 25% of revenues

Right-of-Way Permits and Contractor Registrations issued/inspected by Public Works Department - 100% of revenue retained by City

Alternative: ROW Permits and Contractor Registrations may be issued by contractor, only 25% of revenue retained by City

Sign Permits and Zoning & Subdivision fees are issued/inspected by Planning and Development Department - 100% of revenue retained by City

With outsourcing all remaining Building Division personnel are eliminated (3 FTE)

**BUILDING DIVISION RFP FOR PLAN REVIEW, PERMITTING, AND INSPECTION SERVICES**

	<b>Colorado Code Consulting 1:30pm</b>	<b>Building Code Services Int'l 2:30pm</b>	<b>Safebuilt, Inc. 3:30pm</b>
<b>September 16 interview</b>			
<b>Plan Review/Permits</b>	80% of the plan review fee as calculated by the 1997 UBC	Four options (outlined under services)	75% of permit and plan review fee
<b>Inspections</b>	90% of the building permit fee as calculated by 1997 UBC		Included
<b>Re-Inspection Fee</b>	\$100 per inspection		Included
<b>Additional Services</b>	\$100 per hour		Contractor licensing-75% of fee City Owned/Waived-50% of normal fee \$100/hr for emergencies (min 2 hours)
<b>Staff Levels</b>	Certified Building Official Full-time permit clerk Part-time multi-discipline inspectors	Full-time Permit Tech/Asst BO 3/4 Combination Inspector Part-time Building Official	CBO/Plans Examiner/Inspector Permit Tech/Plans Examiner
<b>Services</b>	<p><u>Administrative</u> General consultation Attendance at meetings as needed Develop/implement goals, policies Non-biased recommendations 40 hours/week of coverage Integrate employees with staff Daily questions on code/work load Local amendments to code adoption Dispute resolution/alternative solutions I-Qwest online building codes</p> <p><u>Plan Review</u> Full plan reviews for all projects Meetings, calls, and code consulting Customized plan review report Comments available electronically Electronic plan reviews 8 Plans examiners on staff</p> <p><u>Inspections</u> Monitor special inspections Called in by 3:00pm - insp next day Provide inspection report on-site Re-inspection fees</p> <p><u>Additional services (for a fee)</u> Emergencies-3 individuals-90 min</p> <p><u>Additional services</u> Electrical inspections (vs. State) Inspect any trade on any type of project</p>	<p><u>Administrative</u> Building Official Permit Tech/Asst. Bldg Official 2009 Code adoption - \$2,500 Compliance process Dispute resolution and solutions Services to applicants Coordinating with other agencies Technological resources Front counter plan Emergency services - \$5,000</p> <p><u>Plan Review</u> Turn-around times - max 2 weeks Plan review format Plan review process Tracking and reporting details Resources and tools</p> <p><u>Inspections</u> List of included inspections Types of inspections Scheduling Applicant notification Tracking and reporting Time and quality metrics Eval of existing buildings - \$4,000</p> <p><u>Additional services (for a fee)</u> Housing inspection School inspection Elevator inspection</p> <p><u>Additional services</u></p>	<p><u>Administrative</u> Review plans/complete inspections Stop work orders/enforcement Documentation Adoption of new building codes Learn/operate Citizen Serve Attend Council meetings, as needed Records maintenance/retention Provide contractor licensing On-call emergencies-2 hour response</p> <p><u>Plan Review</u> Applicant communications Timely review and comments Add add'l resources as needed Final set of plans w/ documentation - Written plan review documentation</p> <p><u>Inspections</u> Called in by 7:30am - same day insp. 30 min call ahead to homeowners Notify staff of code enf violations Issue stop work orders Provide copy of insp slip/discussion</p> <p><u>Additional services (for a fee)</u> Property Maintenance Services</p> <p><u>Additional services</u> Consult during planning process Pre-submittal meetings Preliminary reviews with Fire Marshal Licensed engineer/structural design</p>

**Colorado Code Consulting**  
**1:30pm**

Turn-around times (working days)  
Residential - 5 days  
Commercial - 10 days  
WH, furnace, roof - OTC

**Building Code Services Int'l**  
**2:30pm**

Turn-around times (working days)  
Tenant finish - < 1 week  
Furnace replacement - OTC  
Residential roof - 1 day or OTC  
Commercial roof - < 1 week  
Basement finish - 1 day or OTC  
Office/retail addition - 1-2 weeks  
New commercial - 2 weeks  
New single-family - < 1 week  
Residential add/remodel - < 1 wk/OTC  
Electrical service change - 1 day or OTC

**Safebuilt, Inc.**  
**3:30pm**

Turn-around times (working days)  
Residential - 5 days  
Multi-family - 10 days  
Small comm (<\$2M) - 10 days  
Large comm (>\$2M) - 21 days or less

Pricing Options

A) Base fee +/- 50% of permit and plan review fees  
\$20,000/mo +/- 50% of fees

B) 75% of the plan review fee and permit fee  
BCSI will work to control costs

C) 75% of plan review fee and \$35 per inspection and \$38/hr for Permit Tech and \$60/hr for Building Official  
Many variables determine total cost

D) Hourly rates for all services  
\$60/hr for CBO (min 2 hrs/day)  
\$55/hr for Plan review (min 2 hrs)  
\$38/hr for Permit Tech  
\$48/hr for Inspector (min 2 hrs/day)  
\$100/hr for Engineers  
\$0.50/mile for mileage  
Reimbursable items cost + 10%  
Projected min \$260,000

**Other Companies submitting proposals (not invited to interview):**

**Born Engineering**

Proposed an FTP site vs. Citizen Serve, part-time staff at counter or existing City employee. Overall, pretty solid scope, but billing rate does not guarantee revenues will exceed expenditures. No detailed split of revenues is proposed.

*Eliminated from further consideration*

**RG Consulting Engineers**

Scope lacked any details and cost is way too high compared to existing conditions. No insurance statement or contract details.

No split of revenues proposed.

*Eliminated from further consideration*

**NOVA Engineering and Environmental**

Will provide vehicles and laptops. Available via cell phone 24/7. Florida and Nevada experience only, none in Colorado. Wants to continue using Citizen Serve and will provide customer surveys. Good information on turnaround times. Proposed revenue split is 90% to Company, 10% to City plus \$75 per hour

*Eliminated from further consideration*

SPONSORED BY: MAYOR NOVAK

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-112  
Series of 2009

\_\_\_\_\_  
Series of 2009

A RESOLUTION APPROVING THE AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE CITY OF NORTHGLENN AND SAFE BUILT COLORADO, INC.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The Professional Services Agreement between the City of Northglenn and Safe Built Colorado, Inc., attached hereto as **Exhibit 1**, is hereby approved and the Mayor is authorized to execute same on behalf of the City.

DATED at Northglenn, Colorado, this \_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
KATHLEEN M. NOVAK  
Mayor

ATTEST:

\_\_\_\_\_  
JOHANNA SMALL, CMC  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
COREY Y. HOFFMANN  
City Attorney



**AGREEMENT FOR PROFESSIONAL SERVICES**

THIS AGREEMENT is made and entered into this 8<sup>th</sup> day of October, 2009, by and between the City of Northglenn, State of Colorado (hereinafter referred to as the "City") and Safe Built Colorado, Inc. (hereinafter referred to as "Contractor").

**RECITALS:**

A. The City requires professional services.

B. Contractor has held itself out to the City as having the requisite expertise and experience to perform the required work for the Project.

NOW, THEREFORE, it is hereby agreed for the consideration hereinafter set forth, that Contractor shall provide to the City, professional consulting services for the Project.

**I. SCOPE OF SERVICES**

Contractor shall furnish all labor and materials to perform the work and services required for the complete and prompt execution and performance of all duties, obligations, and responsibilities for the Project which are described or reasonably implied from **Exhibit A** which is attached hereto and incorporated herein by this reference.

**II. THE CITY'S OBLIGATIONS/CONFIDENTIALITY**

The City shall provide Contractor with reports and such other data as may be available to the City and reasonably required by Contractor to perform hereunder. No project information shall be disclosed by Contractor to third parties without prior written consent of the City or pursuant to a lawful court order directing such disclosure. All documents provided by the City to Contractor shall be returned to the City. Contractor is authorized by the City to retain copies of such data and materials at Contractor's expense.

**III. OWNERSHIP OF WORK PRODUCT**

The City acknowledges that the Contractor's work product is an instrument of professional service. Nevertheless, the products prepared under this Agreement shall become the property of the City upon completion of the work.

**IV. COMPENSATION**

A. Compensation to the Contractor shall be made in accordance with the schedule of charges in **Exhibit B** which is attached hereto and incorporated herein by this reference. The parties acknowledge compensation shall vary hereunder, and shall be dependent on the quantity of services requested as described in Exhibit A, the revenues of which are shared by the City and Contractors as set forth in Exhibit B. In addition, in consideration for the completion of the services specified herein by Contractor, the City shall pay Contractor an amount not to exceed Ten Thousand dollars (\$10,000) annually for add-on services. Invoices will be itemized and include permit and plan review fees and hourly breakdown for all personnel and other charges for add-on services. The maximum fee specified herein shall include all fees and expenses incurred by Contractor in performing all services hereunder.

B. Contractor may submit monthly or periodic statements requesting payment. Such request shall be based upon the amount and value of the work and services performed by Contractor under this Agreement except as otherwise supplemented or accompanied by such supporting data as may be required by the City.

1. All invoices, including Contractor's verified payment request, shall be submitted by Contractor to the City no later than the twenty-fourth (24th) day of each month for payment pursuant to the terms of this Agreement. In the event Contractor fails to submit any invoice on or before the twenty-fourth (24th) day of any given month, Contractor defers its right to payment pursuant to said late invoice until the twenty-fourth (24th) day of the following month.

2. Progress payments may be claimed on a monthly basis for reimbursable costs actually incurred to date as supported by detailed statements, including hourly breakdowns for all personnel and other charges. The amounts of all such monthly payments shall be paid within thirty (30) days after the timely receipt of invoice as provided by this Agreement.

C. The City has the right to ask for clarification on any Contractor invoice after receipt of the invoice by the City.

D. In the event payment for services rendered has not been made within forty-five (45) days from the receipt of the invoice for any uncontested billing, interest will accrue at the legal rate of interest. In the event payment has not been made within ninety (90) days from the receipt of the invoice for any uncontested billing, Contractor may, after giving seven (7) days written notice and without penalty or liability of any nature, suspend all work on all authorized services specified herein. In the event payment in full is not received within thirty (30) days of giving the seven (7) days written notice, Contractor may terminate this Agreement. Upon receipt of payment in full for services rendered, Contractor will continue with all authorized services.

E. Final payment shall be made within sixty (60) calendar days after all data and reports (which are suitable for reproduction and distribution by the City) required by this Agreement have been turned over to and approved by the City and upon receipt by the City of Contractor's certification that services required herein by Contractor have been fully completed in accordance with this Agreement and all data and reports for the Project.

## **V. COMMENCEMENT AND COMPLETION OF WORK**

Within seven (7) days of receipt from the City of a Notice to Proceed, Contractor shall commence work on all its obligations as set forth in the Scope of Services or that portion of such obligations as is specified in said Notice. Except as may be changed in writing by the City, the Project shall be complete and Contractor shall furnish the City the specified deliverables as provided in **Exhibit A**.

## **VI. CHANGES IN SCOPE OF SERVICES**

A change in the Scope of Services shall constitute any material change or amendment of services or work which is different from or additional to the Scope of Services specified in Section I of this Agreement. No such change, including any additional compensation, shall be effective, or paid unless authorized by written amendment executed by the City. If Contractor proceeds without such written authorization, then Contractor shall be deemed to have waived any claim for additional compensation, including a claim based on the theory of unjust enrichment, quantum merit or implied contract. Except as expressly provided herein, no agent, employee, or representative of the

City shall have the authority to enter into any changes or modifications, either directly or implied by a course of action, relating to the terms and scope of this Agreement.

**VII. PROFESSIONAL RESPONSIBILITY**

A. Contractor hereby warrants that it is qualified to assume the responsibilities and render the services described herein and has all requisite corporate authority and professional licenses in good standing, required by law.

B. The work performed by Contractor shall be in accordance with generally accepted professional practices and the level of competency presently maintained by other practicing professional firms in the same or similar type of work in the applicable community.

C. The rights and remedies of the City provided for under this Agreement are in addition to any other rights and remedies provided by law.

**VIII. ILLEGAL ALIENS**

A. Certification. By entering into this Agreement, Contractor hereby certifies that, at the time of this certification, it does not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that Contractor will participate in either the E-Verify Program administered by the United States Department of Homeland Security and Social Security Administration or the Department Program administered by the Colorado Department of Labor and Employment in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement.

B. Prohibited Acts. Contractor shall not:

1. Knowingly employ or contract with an illegal alien to perform work under this Agreement; or

2. Enter into a contract with a subcontractor that fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement.

C. Verification.

1. Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement through participation in either the E-Verify Program or the Department Program.

2. Contractor shall not use the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.

3. If Contractor obtains actual knowledge that a subcontractor performing work under this Agreement knowingly employs or contracts with an illegal alien who is performing work under the Agreement, Contractor shall:

a. Notify the subcontractor and the City within three (3) days that Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien who is performing work under the Agreement; and

b. Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice required pursuant to subparagraph (a) hereof, the subcontractor does not stop employing or contracting with the illegal alien who is performing work under the Agreement; except that Contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien who is performing work under the Agreement.

D. Duty to Comply with Investigations. Contractor shall comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation conducted pursuant to C.R.S. § 8-17.5-102(5)(a) to ensure that Contractor is complying with the terms of this Agreement.

E. If Contractor does not currently employ any employees, Contractor shall sign the NO Employee Affidavit attached hereto.

F. If Contractor wishes to verify the lawful presence of newly hired employees who perform work under the Agreement via the Department Program, Contractor shall sign the Department Program Affidavit attached hereto.

#### **IX. INDEMNIFICATION**

The Contractor, to the fullest extent permitted by law, shall defend, indemnify and hold harmless the City, its officers, employees, agents and their insurers, from the against all liability, claims and demands on account of injury, loss or damage, including without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other loss of any kind whatsoever, which arises out of or is in any manner connected with this Contract, to the extent that such injury, loss or damage is attributable to the act, omission, error, professional error, mistake, negligence or other fault of the Contractor, the Contractor's employees, subcontractors or anyone else employed directly or indirectly by the Contractor, Contractor's employees or subcontractor.

The Contractor, to the fullest extent permitted by law, shall defend, investigate, handle, respond and provide defense for and defend against any such liability, claims or demands at the sole expense of the Contractor, or at the option of the City, Contractor agrees to pay the City or reimburse the City for defense costs incurred by the City in connection with any such liability, claims, or demands. The Contractor, to the fullest extent permitted by law, shall defend and bear all other costs and expenses related thereto, including court costs and attorney fees, whether or not such liability, claims or demands alleged are groundless, false or fraudulent.

To the extent permitted by law, City shall indemnify Contractor for claims against the Contractor arising from the proper enforcement of any of the City's Codes, which are determined by a court of competent jurisdiction to be unconstitutional or otherwise invalid and in cases where the professional services provided pursuant to this Agreement are performed in good faith and as generally accepted standards practiced by others providing similar services.

This indemnification provision is intended to comply with C.R.S. § 13-21-111.5(6), as amended, and shall be read as broadly as permitted to satisfy that intent.

#### **X. INSURANCE**

A. The Contractor agrees to obtain and maintain during the life of this Contract, a policy or policies of insurance against all liability, claims, demands, and other obligations assumed by Contractor pursuant to Section IX. above. Such insurance shall be in addition to any other insurance requirements imposed by this Contract or by law. The Contractor shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to Section IX above, by reason of its failure to obtain or maintain during the life of this Contract insurance in sufficient amounts, durations, or types.

B. Contractor shall obtain and maintain during the life of this Contract, and shall cause any subcontractor to obtain and maintain during the life of this Contract, the minimum insurance coverages listed below. Such coverages shall be obtained and maintained with forms and insurers acceptable to the City. All coverages shall be continuously maintained to cover all liability, claims, demands, and other obligations assumed by the Contractor pursuant to Section IX. above. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.

1. Workmen's compensation insurance to cover obligations imposed by applicable laws for any employee engaged in the performance of work under this Contract, and Employer's Liability insurance with minimum limits of five hundred thousand dollars (\$500,000) each accident, five hundred thousand dollars (\$500,000) disease - policy limit, and five hundred thousand dollars (\$500,000) disease - each employee.

2. General Public liability insurance to be written with a limit of liability of not less than one million dollars (\$1,000,000) for all damages arising out of bodily injury, personal injury (including coverage for employee and contractual acts,) including death, at any time resulting therefrom, sustained by any one person and not less than two million (\$2,000,000) for all damages arising out of bodily injury, including death, at any time resulting therefrom, sustained by two or more persons in any one accident. This policy shall also include coverage for blanket contractual and independent contractor risks. The limits of General Public Liability Insurance for broad form property damage (including products and completed operations) shall not be less than one million dollars (\$1,000,000) for all damages arising out of injury to or destruction of property in any one (1) accident and not less than two million dollars (2,000,000) for all damages arising out of injury to, or destruction of property, including the City's property, during the policy period. The General Public Liability Insurance policy shall include coverage for explosion, collapse and underground hazards. The policy shall contain a severability of interests' provision.

3. Professional liability insurance with minimum limits of six hundred thousand dollars (\$600,000) each claim and one million dollars (\$1,000,000) general aggregate.

4. To the extent that liability results from the acts or omissions of the Contractor, the policy required by paragraph 2 above shall be endorsed to include the City and the City's officers, employees, and subcontractors as additional insureds. Every policy required above shall be primary insurance, and any insurance carried by the City, its officers, its employees, or its Contractors shall be excess and not contributory insurance to that provided by Contractor. No additional insured endorsement to the policy required by paragraph 1 shall contain any exclusion for bodily injury or property damage arising from completed operations. Contractor shall be solely responsible for any deductible losses under any policy required above.

5. The certificate of insurance provided for the City shall be completed by

Contractor's insurance agent as evidence that policies providing the required coverages, conditions, and minimum limits are in full force and effect, and shall be reviewed and approved by the City prior to commencement of the Agreement. No other form of certificate shall be used. If the City is named as an additional insured on any policy which does not allow for the automatic addition of additional insureds, the Contractor's insurance agent shall also provide a copy of all accompanying endorsements recognizing the City as an additional insured. The certificate shall identify this Agreement and shall provide that the coverages afforded under the policies shall not be cancelled, terminated or materially changed until at least thirty (30) days prior written notice has been given to the City. The completed certificate of insurance shall be sent to:

City of Northglenn  
Attn: James A. Hayes, AICP  
Director of Planning and Development  
11701 Community Center Drive  
Northglenn, Colorado 80233-8061

6. Failure on the part of Contractor to procure or maintain policies providing the required coverages, conditions, and minimum limits shall constitute a material breach of agreement upon which the City may immediately terminate this Agreement, or at its discretion, the City may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by the City shall be repaid by Contractor to the City upon demand, or the City may offset the cost of the premiums against any monies due to Contractor from the City.

7. The City reserves the right to request and receive a certified copy of any policy and any endorsement thereto.

8. The parties hereto understand and agree that the City, its officers, and its employees, are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations (presently one hundred fifty thousand dollars (\$150,000) per person and six hundred thousand dollars (\$600,000) per occurrence) or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, Colo. Rev. Stat. §24-10-101 et seq., Colo. Rev. Stat., as from time to time amended, or otherwise available to the City, its officers, or its employees.

#### **XI. NON-ASSIGNABILITY**

Neither this Agreement, nor any of the rights or obligations of the parties hereto, shall be assigned by either party without the written consent of the other.

#### **XII. TERM OF AGREEMENT AND TERMINATION CLAUSE**

This Agreement shall terminate two (2) years from the date of execution, or upon the City's providing Contractor with thirty (30) days advance written notice, whichever occurs first. In the event the Agreement is terminated by the City's issuance of said written notice of intent to terminate, the City shall pay Contractor for all work previously authorized and completed prior to the date of termination. If, however, Contractor has substantially or materially breached the standards and terms of this Agreement, the City shall have any remedy or right of set-off available at law and equity. If the Agreement is terminated for any reason other than cause prior to completion of the Project, any use of documents by the City thereafter shall be at the City's sole risk, unless otherwise

consented to by Contractor.

**XIII. CONFLICT OF INTEREST**

The Contractor shall disclose any personal or private interest related to property or business within the City. Upon disclosure of any such personal or private interest, the City shall determine if the interest constitutes a conflict of interest. If the City determines that a conflict of interest exists, the City may treat such conflict of interest as a default and terminate this Agreement.

**XIV. VENUE**

This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in the County of Adams, State of Colorado.

**XV. INDEPENDENT CONTRACTOR**

Contractor is an independent contractor. Notwithstanding any provision appearing in this Agreement, all personnel assigned by Contractor to perform work under the terms of this Agreement shall be, and remain at all times, employees or agents of Contractor for all purposes. Contractor shall make no representation that it is the employee of the City for any purposes.

**XVI. NO WAIVER**

Delays in enforcement or the waiver of any one or more defaults or breaches of this Agreement by the City shall not constitute a waiver of any of the other terms or obligation of this Agreement.

**XVII. ENTIRE AGREEMENT**

This Agreement and the attached Exhibits A and B is the entire Agreement between Contractor and the City, superseding all prior oral or written communications. None of the provisions of this Agreement may be amended, modified, or changed, except as specified herein.

**XVIII. SUBJECT TO ANNUAL APPROPRIATION**

Consistent with Article X, Section 20 of the Colorado Constitution, any financial obligations the City not to be performed during the current fiscal year are subject to annual appropriation, and thus any obligations of the City hereunder shall extend only to monies currently appropriated and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal conflicting provisions in the Agreement establishing any monetary obligation beyond the current fiscal year.

**XIX. NOTICE**

Any notice or communication between Contractor and the City which may be required, or which may be given, under the terms of this Agreement shall be in writing, and shall be deemed to have been sufficiently given when directly presented or sent pre-paid, first class United States Mail, addressed as follows:

The City: City of Northglenn  
11701 Community Center Drive  
Northglenn, Colorado 80233-8061

Contractor: Safe Built Colorado, Inc.  
3755 Precision Drive, #140  
Loveland, CO 80538

IN WITNESS WHEREOF, the parties hereto each herewith subscribe the same in duplicate.

**CITY OF NORTHGLENN, COLORADO**

By: \_\_\_\_\_  
William Simmons Date

City Manager  
Title

ATTEST:

\_\_\_\_\_  
Johanna Small, CMC Date  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Corey Y. Hoffmann Date  
City Attorney

**CONTRACTOR:**

By: \_\_\_\_\_  


\_\_\_\_\_  
David Thomsen  
Print Name

ATTEST:

By: \_\_\_\_\_

\_\_\_\_\_  
Vice President Title 10/05/09 Date

\_\_\_\_\_  
Print Name

City's Contract # \_\_\_\_\_

\_\_\_\_\_  
Title Date

Name of City's Project Manager  
James A. Hayes, AICP



## **SCOPE OF WORK**

### **EXHIBIT A**

1. The initial staff levels, certifications and responsibilities will be as follows:
  - a. *Building Official/Plans Examiner/Combination Inspector shall:*
    - Be ICC certified
    - Process and review permits
    - Make recommendations and provide first draft for code adoption, local amendments, and fee ordinances
    - Attend City Council, Planning Commission, and Board of Adjustment meetings upon request up to a maximum of 10 meetings per calendar year
    - Provide reports to staff and/or City Council as directed (monthly written reports and quarterly presentations to City Council, as necessary)
    - Report may be produced from web-based, contractor-provided software and shall include applicant satisfaction survey results
    - Work directly with City staff to establish or refine internal processes
    - Provide recommended code interpretations for final approval
    - Be available for and conduct pre-construction meetings as requested
    - Perform building code compliant review
    - Provide all required inspections and document the results for those inspections
    - Work with other staff and the contractors to develop remedies for code violations
    - Provide assistance with damage assessment as required after major storm events
    - Provide back-up for Permit Technician position
    - Provide information, education, and recommendations to the public on how to obtain and maintain building code compliance
    - Be dedicated to the City of Northglenn, but may provide concurrent service to other municipalities served by the contractor
  - b. *Permit Technician/Plans Examiner shall:*
    - Be an ICC certified permit technician and residential plan examiner no later than April 1, 2010.
    - Process and review permits
    - Be available daily to meet applicants, issue permits, and interact with the public (40 hours/week, 8:00am-5:00pm, Monday through Friday)
    - Facilitate the building permitting process from initial permit intake to final issuance of permit to help ensure code compliance
    - City-issued permits including contractor licensing, right-of-way permits, erosion and sediment control plans, and sign permits shall be directed to City staff for intake and review
    - Ensure customer service to both walk-in and phone customers

- Accept plan review submittal documentation, check for submittal completeness, and facilitate the routing of submittal to appropriate departments and agencies. A checklist of submittal requirements will initially be provided by the City and may be mutually revised by the City and contractor
- Provide over-the-counter permits issued at time of submittal
- Provide plan review on smaller residential projects
- Respond to citizen and contractor requests
- Schedule inspections and provide support to inspectors in the field
- Interface with the community
- Provide their own laptop or desktop computer and the City will provide internet/network connection
- Provide customer service from 8:00am to 5:00pm with no permits being issued after 4:30pm. A one (1) hour lunch is permitted with reciprocal counter coverage by City staff. Counter service levels will be mutually evaluated after ninety (90) days.

2. Review building permit applications for compliance with building, electrical, plumbing, and accessibility codes

*Plan Review Turnaround Times:*

<u>Plan Review Type</u>	<u>First Comments</u>	<u>Second Comments</u>
Residential	5 working days	not applicable
Multi-family	10 working days	5 working days
Tenant Finish	5 working days	5 working days
Commercial (< \$2M)	10 working days	5 working days
Commercial (> \$2M)	21 or less working days	10 working days

3. Conduct all inspections, required by City ordinances and resolutions, to ensure life safety and code compliance

- *List of Inspections:*  
Setbacks\*, footings\*, wall steel (rebar)\*, underground plumbing to the property line, underground electric, rough electric, rough plumbing, rough heating (flues and vents), rough framing, insulation, drywall, final electric, final plumbing, final heating, and final building  
\* In the case of setbacks, footings, and wall steel, SAFEbuilt will either perform the inspections or, alternatively, administer a program requiring written engineering approval of the footings and wall steel (i.e., engineer's letter) and a written surveyor's approval of the setbacks (i.e., improvement location certificate or similar document)
- Receive, respond to and record inspection requests. All inspections called in by 7:30am will be completed the same day, never "rolling over" inspections. Additionally, provide one (1) hour call ahead inspection notification to homeowners.
- Online scheduling may be provided through the web-based, contractor-provided, software and may be linked to the City's web site. Application forms may also be available online.

- Work in unison with the North Metro Fire Rescue District to ensure compliance with any applicable Fire Code and ensure all commercial and multi-family structures have been inspected and approved prior to issuing a Certificate of Occupancy

4. Customer Service

- Provide customer service to design professionals, contractors and homeowners via fax, phone, and e-mail regarding code requirements, violations and permit submittal
- Create and distribute Plan Review Notices including routing of plans to internal City departments and external agencies
- Meet with applicant for pre-submittal courtesy reviews and lead or direct applicant to achieve compliance with regards to a deficient submittal including, but not limited to weekly attendance at the Development Review Committee (DRC). Attendance at DRC meeting will be as warranted.
- Implement a “Fast Friday” program where homeowners are able to obtain basic permits “over the counter” such as air conditioner, demolition, fence (under 6 feet in height), furnace, lawn sprinkler systems, re-shingle existing roof, siding, water heaters, and same size window replacement
- Present a marketing plan to the City to inform members of the public about the new (outsourced) building division and its services. This may include, but is not limited to outreach with the Home Builders Association, local Realtors, media, and the general public
- Provide response to Colorado Open Records Act (CORA) requests for building permit and inspection records in accordance with State law. Procedures for responding to these requests and locations of hard copy files will be resolved during the initial 30 day transition period
- City will provide office space, furniture, fixtures, telephone, Internet access, building access (prox) cards, City identification badges, “.eps” file of City logo, and e-mail address(es)
- Contractor will provide magnetic City logo for contractor-owned vehicles, computer(s), business cards, building permit forms, and homeowner handouts, all subject to City approval

5. Records management and reporting functions

- Maintain records of all submittals, fee received, reviews and inspections
- Document storage and maintenance (plan review and inspection documents) at a City-controlled location and document retention and destruction (plan review and inspection documents) in accordance with a Record Retention and Destruction Plan adopted by the City.
- Create monthly report for work performed, fees collected, and customer satisfaction surveys

- Collect City permit fees, plan review fees, and use tax, if any, upon building permit application, and if necessary, special district fees. This includes compliance with Finance Department procedures for point-of-sale, cash management, and daily close out of cashier's drawer.

6. Additional Services and Miscellaneous

- Issue "stop work" orders for work done without a permit
- Issue "Dangerous Building" notices for vehicle or fire-damaged buildings
- Review files of buildings and existing permits being completed and issue Certificate of Occupancy where applicable
- Provide knowledgeable staff to support and attend meetings of the Board of Adjustment in the event of an appeal of the Building Official's decision
- Provide advice, education and support to the City Council and Director of Planning and Development regarding code interpretations and adoptions and new legislation affecting building codes.
- Provide access to SAFEbuilt web-based building department software package to the Director of Planning and Development and other City Departments as necessary for the review and routing process.
- The City maintains hiring approval over the key personnel positions outlined in item number one (1), above.
- The City will continue to issue contractor licenses and right-of-way construction permits.
- Both parties shall ensure compliance with CB-1673, Ordinance #1532 (attached) – Application of Building Codes to Existing Permitted Work.
- SAFEbuilt shall be designated as the Chief Building Official for the City of Northglenn

**FEE SCHEDULE  
EXHIBIT B**

<u>Fee Type</u>	<u>SAFEbuilt %</u>	<u>City %</u>
Building Permit Fee	75% of City permit fee	Retain 25%
Trade Permit Fee	75% of City permit fee	Retain 25%
Plan Review	75% of City permit fee	Retain 25%
Single Stop Fee	75% of City permit fee	Retain 25%
City Owned/Waived	50% of City permit fee	0%

“City permit fee” means permit and plan review fee in accordance with the adopted City fee schedule

- Emergency Services Fee: \$100.00 per hour with a minimum of 2 hours
- Investigative Services Fee: \$100.00 per hour
- Existing Permit Fee: Permits issued prior to October 12, 2009 “Effective date” shall be inspected at a rate of \$75.00 per hour
- The following fees shall be passed through the City of Northglenn to the applicant:
  - Revisions to previously approved plans: \$100.00 per hour
  - After hours/weekend inspections: \$100.00 per hour with a minimum of 2 hours
  - Re-inspection fee: \$75.00
- Trade Permit Fee is defined as a separate fee such as an electrical permit fee
- Single Stop Fee is defined as a fee for a permit issued the same day it was requested or “over the counter” permits.

SPONSORED BY: COUNCIL MEMBERS MILLER, PAIZ & WIENEKE

COUNCILMAN'S BILL

ORDINANCE NO.

No. CB-1673  
Series of 2008

1532  
Series of 2008

A BILL FOR AN ORDINANCE AMENDING ARTICLE 1 OF CHAPTER 10 OF THE NORTHGLENN MUNICIPAL CODE BY THE ADDITION THERETO OF A NEW SECTION 10-1-8.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. Article 1 of Chapter 10 of the Northglenn Municipal Code is amended by the addition thereto of a new Section 10-1-8 to read as follows.

**Section 10-1-8. Application of the Building Codes to Existing Permitted Work.**

It shall be the policy of the City of Northglenn that it shall not require additional work be performed beyond that requested in an application for a building permit seeking approval for alterations, repairs, restoration and/or improvements to an existing building or structure unless one or more of the following conditions exist:

- (a) Work related to the application on the building or structure was done without a duly issued building permit;
- (b) The improvements being constructed constitute a change in use outside of the Occupancy Group Classification of the structure thereby necessitating additional work; or
- (c) The Chief Building Official has determined that a specifically articulated life safety hazard exists that requires such additional work. For purposes of this subsection (c), it shall be the burden of the Chief Building Official to determine with specificity the life safety hazard that exists necessitating any such additional improvements.

INTRODUCED, READ AND ORDERED POSTED this 25<sup>th</sup> day of September, 2008.

  
KATHLEEN M. NOVAK  
Mayor

ATTEST:

  
\_\_\_\_\_  
JOHANNA SMALL, CMC  
Acting City Clerk

PASSED ON SECOND AND FINAL READING this 9<sup>th</sup> day of October,  
2008.

  
\_\_\_\_\_  
KATHLEEN M. NOVAK  
Mayor

ATTEST:

  
\_\_\_\_\_  
JOHANNA SMALL, CMC  
Acting City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
COREY V. HOFFMANN  
City Attorney

**PROSPECTIVE CONTRACTOR'S CERTIFICATE REGARDING EMPLOYING OR CONTRACTING WITH AN ILLEGAL ALIEN**

FROM: Safe Built, Colorado  
(Prospective Contractor)

TO: City of Northglenn  
PO Box 330061  
11701 Community Center Drive  
Northglenn, CO 80233

Project Name Full Service Building Department

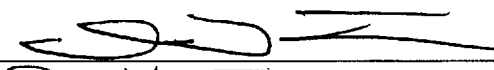
Bid Number \_\_\_\_\_

Project No. \_\_\_\_\_

As a prospective Contractor for the above-identified bid, I (we) do hereby certify that, as of the date of this certification, I (we) do not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that I (we) will confirm the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program administered by the United States Department of Homeland Security and Social Security Administration or the Department Program administered by the Colorado Department of Labor and Employment.

Executed this 5th day of October, 2009.

Prospective Contractor Safe Built, Colorado

By:   
David Thomsen  
Title: Vice President

Finance Dept Use Only	
Initials	_____
Date	_____
PO #	_____



**DEPARTMENT PROGRAM AFFIDAVIT**

**(To be completed if Contractor participates in the  
Department of Labor Lawful Presence Verification Program)**

I, Safe Built, Colorado, as a public contractor under contract with the City of Northglenn (the "City"), hereby affirm that:

1. I have examined or will examine the legal work status of all employees who are newly hired for employment to perform work under this public contract for services ("Contract") with the Town within twenty (20) days after such hiring date;

2. I have retained or will retain file copies of all documents required by 8 U.S.C. § 1324a, which verify the employment eligibility and identity of newly hired employees who perform work under this Contract; and

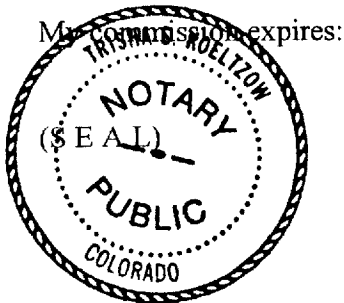
3. I have not and will not alter or falsify the identification documents for my newly hired employees who perform work under this Contract.

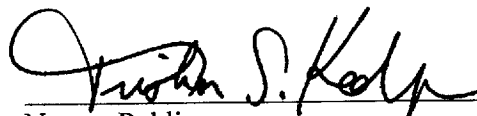
  
\_\_\_\_\_  
Contractor Signature

10/05/09

STATE OF COLORADO )  
 ) ss.  
COUNTY OF LaRimer )

The foregoing instrument was subscribed, sworn to and acknowledged before me this 5<sup>th</sup> day of October, 2009, by David Thomsen as Vice President of Safebuilt.



  
\_\_\_\_\_  
Notary Public

Finance Dept Use Only	
Initials _____	
Date _____	
PO # _____	