
MEMORANDUM



TO: Mayor Walker and Councilors
FROM: Stacy Marquardt, Community Development Planner
SUBJECT: **Building Official & Inspection Services Transition**
DATE: January 3, 2024

Background:

The City has used Metro West as our Building Official and Inspection Services provider for several years. We will be transitioning to MNSPECT starting this year. As we are transitioning services to a new provider there are many details that need to be worked out with both companies. State Rules along with the current Metro West contract are binding in what the City can do through this transition. Staff feel that Metro West should be compensated for the work they have completed on outstanding permits but also want to ensure that MNSPECT is paid for completion of these permits.

This is our proposal:

There are about 170 permits that have been issued under Metro West but have not been finalized inspected because the projects are not complete. These permits by MN Rule must be converted over to the new Building Official on the date the contract ceases. Because we value Metro West's business for the last 30 plus years, we would like to compensate them for the plan reviews they have completed within these permits. Plan reviews are done on all permits that are not over-the-counter permits and can be very time-consuming. There are roughly 35 permits that retain a plan review fee. All issued permits have been paid for by the City, so the money is there to reimburse the company for their services. This would roughly come to about \$15,250 (note permits are fluid so this could fluctuate a bit up or down). We feel this is a fair way to transition to the new Building Official. The new company would then only be compensated for a portion of the remaining building permit fee for inspecting these permits, which they are amenable to.

If needed we may start MNSPECT sooner than February 2nd as we understand that Metro West may not want to continue on through February 2nd if they are not going to get paid for permits where the projects are not 100% complete, which is what their contract language states.

Recommendation:

To compensate Metro West for plan review fees only on permits that were issued through their company to date. This would not be paid until we received all active plans and permits back to our office and we officially part ways. We would also like to reserve the right to bump up the start date for the MNSPECT contract if necessary to accomplish a smooth transition.