

PRIVATE PROVIDER DISCOUNT INTENT – FS 553.791(2)(B)

CITY OF CAPE CORAL BUILDING DIVISION

NOVEMBER 12, 2025

FS 553.791(2)(b) – Private Provider Fee Reduction Summary

1. When an **owner or contractor** hires a **Private Provider** for **plans review or inspection services**, the **local jurisdiction must reduce the permit fee** accordingly.

2. The reduction must reflect the **cost savings realized** by the local enforcement agency (since the agency is **not performing** those services).

3. The **fee reduction** may be calculated by any of the following reasonable methods:
   A. Flat fee reduction
   B. Percentage-based reduction
   C. Other reasonable means reflecting actual cost allocation for plan review or inspections

4. The **local jurisdiction may not charge inspection fees** if the owner/contractor uses a Private Provider for those inspections.

5. However, the jurisdiction may charge a reasonable administrative fee, limited to actual costs incurred, including:
   A. Labor costs of personnel providing the administrative service
   B. Clerical and supervisory assistance necessary to process, review, and record Private Provider documentation
   C. Any directly attributable overhead costs tied to administering those Private Provider services

6. The key standard is that the administrative fee must be cost-based, not profit-generating or duplicative of services already performed by the Private Provider.

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The Private Provider discount analysis is based on the adopted FY2026 Building Division budget:

1. Personnel (Inspectors, Plans Examiners, Permit Specialists, etc.): $6,441,094
2. Operational Expenses: $7,252,511
3. Total Personnel/Operational (S/O): $13,693,605

Operational expenses represent a fixed 53% of total expenditures, while Personnel comprises the variable 47% directly tied to service delivery, plan review, inspections, and permitting activities. Because Private Provider utilization reduces only a portion of staff workload, the discount applies solely to the variable Personnel component, not to fixed operational costs. The Personnel allocation reflects a combination of fixed and variable labor resources essential to maintaining daily operations, meeting statutory obligations, and supporting customer service.

The figures below represent active positions using the job description for acquiring the average salaries and current Personnel levels:

Role	Avg. Salary	# Staff	Subtotal	% of Variable Portion ($5.2M)
Inspectors	$72,000	30	$2,160,000	41.6 %
Plans Examiners	$75,000	15	$1,125,000	21.6 %
Permit Specialists	$58,000	33	$1,914,000	36.8 %
Total Variable Personnel			$5,199,000	100 %

The information above is a concept and does not reflect the actual total personnel budget of $6,441,094, as the focus is on Inspector and Plans Examiner and not on the fixed supervisory and administrative, vacant positions, no capital costs for equipment or vehicles are included and supplemental support services.

When applied to the full $13.69 million operations budget, **only the Inspector and Plans Examiner functions** are directly affected by Private Provider activity discount per Fs553.791(2)(b).

1. **Operational Expenses:** $7,252,511 ≈ 53%
2. **Personnel:** $6,441,094 ≈ 47%
    A. Inspectors ≈ 41.6% of 47% = 19.5% of total S/O
    B. Plans Examiners ≈ 21.6% of 47% = 10.2% of total S/O

Together, these classifications account for **approximately 29.7% of total operations**

Inspectors ≈ 19.5%,

Plans Examiners ≈ 10.2%,

which establishes the **upper boundary of Private Provider influence within the Division's total workload**.

Comparison: City vs. Private Provider – Plan Review Phase

When work is performed internally, results are entered and finalized immediately within the permitting system by assigned staff.

In cases where Private Providers conduct the primary plan review, City staff are still required to perform several key verification steps before acceptance and permit issuance. **City staff does not perform redundant plan review when private providers are utilized.** These services are entirely outsourced at the direction of the contractor and or owner:

A. **Permit Specialist** confirm NTBO (Notice to Building Official) compliance and attach the Private Provider Qualifier; verify the DBPR licensure and current status of the Private Provider firm and its personnel; ensure all required documentation is properly uploaded; and verify that the inspection checklist and Plan Compliance Affidavit have been provided and are complete.

B. **Plans Examiners** verify the proposed scope of work, confirm the accuracy and completeness of the submittal package, verify correct addressing on all documents, confirm inclusion of all required sub-permits and any additional permits necessary for the project, notate any deferred submittals, ensure the documentation is properly indexed and stamped to demonstrate Private Provider compliance, and verify that all required inspections are appropriately identified and sequenced properly based on the project scope.

Comparison: City vs. Private Provider – Plan Review Phase

These review and verification requirements collectively result in a similar level of effort to a standard in-house plan review, thereby providing little to no measurable labor savings during the plan review phase.

This portion of the process is effectively equal, accounting for approximately 10% of the potential labor offset.

Function / Task	Permit Specialist	City Plans Examiner	Private Provider
Validate NTBO and qualifier information	✓	X	X
Verify Plan Compliance Affidavit	✓	X	X
Verify licensure (Firm/ Private Provider Personnel active status w/DBPR)	✓	X	X
Verify completeness of submittal	✓	X	X
Review code compliance	X	X	✓
Verify scope of work	✓	✓	✓
Confirm sub-permits / separate permits	X	✓	X
PP Index and / or PP-stamped documents and verify accuracy of documents (No Code Review)	X	✓	X
Verify Inspection Checklist and proper Sequencing	✓	✓	✓
Notate any deferred submittals	✓	✓	X
Verify correct addressing on all documents	✓	X	X

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Examples of Separate Permits and Sub-Permits



Image Curtesy from the City of Fort Lauderdale

Comparison: City vs. Private Provider – Inspection Phase

The inspection phase presents similar conditions: while Private Providers perform field inspections, City staff must still engage heavily in documentation review and compliance verification. When inspections are performed internally, results are entered and finalized immediately within the permitting system.

When conducted by a Private Provider, staff must:

A. Review uploaded inspection reports for accuracy and completeness;

B. Verify inspection sequencing and result each inspection manually;

C. Upload and index reports into the permitting portal;

D. Review Certificates of Compliance;

E. Confirm that no required inspections remain outstanding; and

F. Elevate issues or complaints to Chief Inspectors for resolution.

City staff does not perform redundant inspections when private providers are utilized.

Comparison: City vs. Private Provider – Inspection Phase

Function / Task	Permit Specialist	City Inspector	Private Provider Inspector
Perform inspection on site	X	X	✓
Upload results into system	✓	X	X
Review and upload inspection reports and Certificate of Compliance	✓	X	X
Verify inspection sequencing and results entry	✓	X	X
Confirm no outstanding inspections remain	✓	X	X
Handle complaints / disputes	✓	X	X

These administrative and verification steps consume comparable time and resources, differing primarily in salary rate rather than workload.

This analysis reduces the inspection labor savings by roughly 5%, leaving a net effective reduction of 15% overall.

Resulting Discount Estimate Fs553.791(2)(b)

Accordingly, the Private Provider discount per Fs553.791(2)(b) is estimated at approximately 15% of variable Personnel costs, representing the practical reduction in City labor utilization after administrative, compliance, and oversight responsibilities are considered.

Phase	Estimated Labor Adjustment	Net Effect
Plan Review Private Provider	10% offset (no net reduction)	Neutral
Inspections Private Provider	19% potential offset reduced by 5%	≈ 15% effective reduction
Private Provider Total	29% prior to offset of reduction	≈ 15% Total Discount

Regardless of Private Provider participation, the Building Division must:

1. Issue and track permits within EnerGov
2. Validate licensure and qualifications
3. Review and record inspection reports and Certificates of Compliance
4. Maintain public records for audits and retention
5. Manage complaints and enforcement actions
6. Perform quality-assurance checks and audit Private Provider performance, as applicable.
7. Retain final authority for TCO / CO issuance

Staff Recommendation: Adopt a 15% Private Provider Discount

QUESTIONS