



# CITY COUNCIL ACTION REPORT

May 13, 2010

TO: The Honorable Mayor and City Council

FROM: John Szerlag, City Manager  
John M. Lamerato, Assistant City Manager/Finance & Administration  
Mark F. Miller, Acting Assistant City Manager/Economic Development Services  
Peggy Sears, Human Resources Director  
Brent Savidant, Acting Planning Director  
Susan A. Leirstein, Purchasing Director

SUBJECT: Standard Purchasing Resolution 11: Rejection of Proposals - Code Enforcement Services

## **Background**

- As a result of the current budget crisis, the City continues to find ways to provide services at a reduced cost. As part of this process, the City has turned to the private sector to determine if a cost savings can be realized by outsourcing many City services.
- The City has utilized a two-step bid process in order to first qualify potential organizations; then second, to solicit pricing from those qualified organizations.
- A request for Statement of Qualifications (SOQ) for Code Enforcement Services was sent to one-hundred eighty-eight (188) firms through the Michigan Intergovernmental Trade Network (MITN) e-procurement website at [www.mitn.info](http://www.mitn.info).
- SOQ's were received from three (3) entities.
- Only one (1) of the SOQ's met the pass/fail criteria established for Code Enforcement Services. The SOQ received from the City of Rochester Hills was removed from the formal SOQ process with the understanding that consolidation would be considered if in the City's best interest.
- With only one (1) firm remaining in the SOQ process, the evaluation phase was placed on hold and the firm was invited to submit a detailed pricing proposal, outlining their proposed daily and hourly rate schedules.
- Zucker Sytems from San Diego, California prepared the Development Approval/Permit Process Report in 2008. Mr. Paul Zucker presented City Council the report listing 102 recommendations to improve the City of Troy's development approval process. The reorganization of the Planning Department and Building Inspections Department were identified by the report. There was direction to coordinate the zoning ordinance interpretation and administration within the Planning Department. In an effort to move towards restructuring and implementation of the Zucker Report, the Inspector Supervisor (Housing and Zoning Inspection) was transferred to the Planning Department. Thus the Housing and Zoning Inspector Supervisor is now responsible for supervision of the code enforcement functions, sign permit administration and professional assistance to the Board of Zoning Appeals. To complete the restructuring, the Housing and Zoning Inspectors were also transferred to the Planning Department.
- As part of the privatization process, the Planning Department was given a chance to compete for the work against PMI Inspection Services. Based on the 2010 / 2011 budget figures, including a calculation for overhead costs, PMI was able to provide code compliance services at costs less than the City Planning Department, \$195,520.00 vs. \$214,426.00 respectively, for a cost difference of \$18,906.00.

May 13, 2010

To: John Szerlag, City Manager  
Re: Rejection of Bids – Code Enforcement Services

**Background – continued**

- In reviewing whether to outsource these services, Management looked at the savings versus the service performed. Code enforcement is not an on-demand service; rather, it's a blight control operation requiring continual monitoring of the city. Thus maintaining these services in-house provides the City of Troy with greater oversight of employees for the services rendered, especially when the difference per year was less than \$20,000 to keep the service in-house.
- The City will appoint two Building Inspection Department employees to the Housing and Zoning Inspector positions in the Planning Department. Then appoint one of these Housing and Zoning Inspectors as the City's new Building Official. Further, the duties of the Housing and Zoning Inspector position will expand to include providing assistance during Safe Built's transition in assuming building inspection operations; provide historical and social connections to the building and development community; assist monitoring Safe Built's performance and assist community planning functions to potentially reduce planning consultant costs.
- Based on the additional responsibilities for the Housing and Zoning Inspectors and Inspector Supervisor and the minimal savings that would be recognized by outsourcing code enforcement, City Management recommends rejecting the proposals and retaining these services in house.

**Financial Considerations**

- Funds are available in the operating budgets of the Planning Department.

**Legal Considerations**

- SOQ-COT 10-03, Code Enforcement Services was competitively bid and opened with three (3) entities responding.
- RFP-COT 10-03, Detailed Proposal – Code Enforcement services sought competitive pricing from the one (1) remaining firm in the process.

**Recommendation**

- City Management recommends rejecting the proposals for Code Enforcement Services and to retain these services in-house through the Planning department.

Reviewed and confirmed by: Richard K Carlisle May 13, 2010  
Richard Carlisle, Consultant Date  
Carlisle Wortman Associates, Inc

Opening Date --3/18/2010  
 Date Reviewed -- 3/28/10

CITY OF TROY  
 TABULATION  
 CODE ENFORCEMENT SERVICES

FIRM NAME:

sl

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PMI			
Inspection			
Services			

**PROPOSAL: CODE ENFORCEMENT AND INSPECTION SERVICES FOR THE CITY OF TROY**

**FOUR (4) COPIES** Y or N

Yes			
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**TERMS:**

30 days in full			
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**EXCEPTIONS:**

N/A			
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**ACKNOWLEDGEMENT:** Y or N

Yes			
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**COST PROPOSAL:**

Fee Schedule Attached: Y or N

Yes			
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Hourly Fee Schedule Attached: Y or N

Yes			
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**\*\* RECOMMEND REJECTION OF RFP**

ATTEST:

Julie Hamilton

Paul Evans

Debra Painter

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 Susan Leirstein CPPO CPPB

Purchasing Director



Detailed Proposal – Code Enforcement Services  
 Proposal  
 Page 1 of 1

**CODE ENFORCEMENT  
 AND INSPECTION SERVICES  
 PROPOSAL**

**COST PROPOSAL:**

The organization shall provide their proposed fee schedule to perform the requested services as outlined in the Statement of Qualification (SOQ-COT 10-03) Scope of Work. The fee schedule presented (daily rate, monthly rate or monthly retainer) will cover the duration of the contract and should include any other potential cost to the City for these services.

Fee schedule attached and labeled Attachment I for identification purposes.

In addition, a copy of your organization's complete Hourly Rate Fee Schedule by position must be provided.

Fee schedule attached and labeled Attachment II for identification purposes.

**THE FOREGOING PROPOSAL IS A TRUE STATEMENT OF FACTS:**

Signature of Authorized Organization Representative: *Catherine Supal, PRES.*

Representative's Name: Catherine Supal  
(print)

Organization Name: PMI Inspection Services (Plumb Master, Inc.)

Address: 27605 Little Mack

Phone Number: (586) 222-1739, (586) 612-3681 or (586) 772-6206

Fax Number: (586) 774-8690

E-mail: ronsupal@cs.com or cathysupal@cs.com

Date: March 15, 2010

# ATTACHMENT I:

## FEE SCHEDULE

### DAILY RATE -

Code Enforcement Officer (per employee)	\$ 376.00
Administrative/Clerical (per employee)	260.00

# ATTACHMENT II

## HOURLY RATE FEE SCHEDULE

Code Enforcement Officer (per employee)	\$ 47.00
Administrative/Clerical (per employee)	32.50