



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2020-0082

TO: Mayor and City Council Members

FROM: Sara Roediger, Planning and Economic Development Director

DATE: April 13, 2020

SUBJECT: Real Estate Database Subscription

REQUEST:

It is requested that City Council authorize a blanket purchase order/contract to Costar Group, Washington DC for a Real Estate Database Subscription in the amount not-to-exceed \$41,148.00 through March 31, 2023.

REASON FOR PURCHASE:

The City issued Request for Proposals for a Real Estate Database Subscription utilizing the MITN system. Three proposal responses were received and evaluated by a committee consisting of staff from Planning and Economic Development and Assessing. Two of the products proposed do not provide the essential analytics of market activity the City specified in the solicitation. Costar Group is recommended as the best value vendor based on their qualifications and experience, comparable projects and capacity to perform services required. The City has used Costar Group for the past 8 years and has been highly satisfied with the product. Costar allows Planning & Economic Development staff to search available commercial properties and provide customized reports to businesses looking to relocate to or expand in Rochester Hills. The system also allows staff to collect past and forecasted analytics such as vacancy and lease rates. Lastly, the system has provided information on businesses occupying commercial properties including industry sector, number of employees and terms of the lease.

The City has been under contract with Costar Group for this service over the past several years and was under a pricing structure that was considered to be “grandfathered” by Costar. However due to the City’s purchasing policies, related to long term contracts and fair and open competition, a new solicitation needed to be issued. Based on issuing the new RFP, Costar could no longer honor the pricing structure provided to the City, and therefore sufficient budget was not requested as this increase was not anticipated. The reasons for increases to Costar’s pricing structure is due to improvements they’ve made to their software and services offerings. As part of this new pricing structure, the City will now be provided the full services and benefits of the system. Some of the services and benefits includes added modules that will benefit our Assessing department ability to gather timely, verified property sales comparisons and upgrades to the software as Costar makes upgrades and improvements. New modules developed by Costar will be automatically added to the suite of services at no additional cost. These were not included under the previous contract. To ensure the pricing increase was reasonable, the City inquired with surrounding communities, such as Oakland County and Warren and validated the rate being offered to Rochester Hills is comparable to their contract pricing.

PROCESS:

Vendor Name and Address:

Costar Group
1331 L Street NW
Washington, DC 20005

Reason for Selection:

Best Value; Most Qualified

Method of Purchase:

Blanket Purchase Order/Contract

BUDGET:

Funding is included in the FY 2020 Adopted Budget and the FY 2021 and 2022 Projected Budgets.

Fund Name	Department Account No	Account No. Description	3-Year Budget Amount	3-Year Cost	Remaining Budget
General Fund	401.801000	Professional Services	\$25,500	\$20,574	\$4,926
LDFA	848.801000	Professional Services	\$25,000	\$20,574	\$4,426
		TOTAL	\$50,500	\$41,148	\$9,352

RECOMMENDATION:

It is recommended that Rochester Hills City Council authorize a blanket purchase/contract to Costar Group, Washington, DC for a Real Estate Database Subscription in the amount not-to-exceed \$41,148.00 through March 31, 2023.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		

Contract Reviewed by City Attorney Yes N/A