



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2023-0171

TO: Mayor and City Council Members
FROM: Sara Roediger, Planning and Economic Development Director
DATE: April 17, 2023
SUBJECT: Real Estate Database Subscription

REQUEST:

City Council is requested to authorize a contract/blanket purchase order for a Real Estate Database Subscription in the amount not-to-exceed \$40,608.00 through March 31, 2025 to Costar Group, Washington DC.

REASON FOR PURCHASE:

At their April 13, 2020 meeting City Council authorized the award of a three-year contract, with an option to renew for two-years to Costar Group for a Real Estate Database Subscription. The City has expired their three-year initial contract term and is requesting City Council's approval to extend the agreement for an additional two-year period. The requested amount includes licenses for four (4) users including users from both the Planning and Economic Development and Assessing Departments. It is recommended that extension of the agreement and award of the project be issued to Costar Group based on their qualifications and experience, comparable project, capacity, and satisfaction with the data and services received. The City's Purchasing Department has reviewed the renewal rate offer and the pricing is fair and reasonable and significantly less than the current market rate that they are charging to all new clients which is \$2,250 per month for 4 users (Year 1 = \$27,000.00 for new users).

The City's rate will be as follows:

Year 1: \$1,587 x 12 = \$19,044

Year 2: \$1,797 x 12 = \$21,564

The City has been utilizing the Costar Groups software for the past several years and has been very satisfied with the service and information provided through this subscription. Costar allows 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, along with information on businesses occupying commercial properties which includes, industry sector, number of employees, and terms of the lease.

PROCESS:

Vendor Name and Address:

Costar Group
1331 L Street NW
Washington DC, 20005

Reason for Selection:

Best Value; Contract Extension

Method of Purchase:

Blanket Purchase Order/Contract

BUDGET:

Funding is included in the FY 2023 Adopted Budget

Fund Name	Department Account No	Account No. Description	2-Year Budget Amount	2-Year Cost	Remaining Budget
General Fund	209.801000	Professional Services	\$14,000	\$13,536	\$464
General Fund	401.801000	Professional Services	\$14,000	\$13,536	\$464
LDFA	848.801000	Professional Services	\$14,000	\$13,536	\$464
Total			\$42,000	\$40,608	\$1,392

RECOMMENDATION:

City Council is requested to authorize a contract/blanket purchase order for a Real Estate Database Subscription in the amount not-to-exceed \$40,608.00 through March 31, 2025 to Costar Group, Washington DC and further authorizes the Mayor to execute an agreement on behalf of the City.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Procurement Manager		
Mayor		
City Clerk		

Contract Reviewed by City Attorney Yes N/A