



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
July 24, 2007

**Honorable Mayor and
Members of the City Council**

Title: Title Report Search Services

Location/Council District: Citywide

Recommendation: Adopt a Resolution (1) suspending competitive bidding and (2) award a contract for title report search services to Placer Title/National Closing Solutions for a base and two option periods with an overall not-to-exceed value of \$600,000.

Contact: Ron O'Connor, Code Enforcement Manager, 916/808-8183

Presenters: None

Department: Code Enforcement

Division: N/A Department Wide Contract

Organization Numbers: 4651, 4652 and 4653

Description/Analysis

Issue: Title report search services are a necessary and vital tool for Code Enforcement. Through the use of title reports, Code Enforcement can gain access to property owners and beneficiaries whose property is found to be in violation of City code or a potential risk to public safety. It is critical that these services be continued to address the nuisances and unsafe conditions created when a property is not in compliance with building standards and other related laws.

In January 2007, through the competitive bid process, the City advertised an informal, multiple-year Solicitation (IFB B074651005) for title report search services. The City received two responses out of thirty-one registered bidders. Analysis of the two bids found that of Placer Title/National Closing Solutions to be technically capable, responsible, responsive, as well as the lowest bidder.

Since the advertisement of IFB B074651005, the Code Enforcement Department has experienced an unanticipated increase in the volume of work, therefore requiring substantially more title reports than previously anticipated.

City Code requires that contracts of \$100,000 or more be formally bid unless City Council approves the suspension of the competitive bidding process, and finds it to be in the best interests of the City.

Policy Considerations: City Code (Chapter 3.56) authorizes the suspension of competitive bidding when it is in the best interests of the City. This action requires a 2/3 vote.

Environmental Considerations: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Title report search services are a necessary and vital tool for Code Enforcement. Through the use of title reports, Code Enforcement can gain access to property owners and beneficiaries whose property is found to be in violation of City code or a potential risk to public safety. It is critical that these services be continued to address the nuisances and unsafe conditions created when a property is not in compliance with building standards and other related laws.

In September 2006, the City issued a formal, multiple-year Solicitation (IFB B074651002) in accordance with City Code. Eighteen bidders registered for the Solicitation and the City only received two bids in response to the Solicitation, Placer Title/National Closing Solutions and another. Both bids were rejected due to procedural changes within the Department of Code Enforcement.

Later, in January 2007, through the informal, competitive bid process, the City advertised a multiple year Solicitation (IFB B074651005) for title report search services. Since the advertisement of IFB B075641005, the Department of Code Enforcement has experienced an increase in the volume of work, therefore requiring more title reports than previously anticipated. Two bids were received in response to IFB B074651005. Of those, Placer Title/National Closing Solutions was found to be the lowest responsible, responsive, and technically capable bidder.

In both cases extensive market research was performed in an attempt to widen the competitive pool. In the case of IFB B074651002, the Solicitation was advertised in accordance with City Code, in the *Official City Newspaper*, as well as direct market mailings to over twenty-five mortgage companies and trade associations. The City received two bids in response to the Solicitation. Solicitation IFB B074651005 was again provided to over twenty-five mortgage companies and trade associations in the hopes of further expanding the competitive range. The City received two bids; once again, Placer Title/National Closing Solutions was found to be the lowest responsible, responsive, and technically capable bidder.

Staff, in an attempt to ascertain what other municipalities are doing for these same and/or similar services found that Sacramento County's requirements best mirror those of the City's. In May 2007, Sacramento County awarded a multiple award contract for the same/or similar services. Cost comparisons between the pricing show that the City has a potential cost savings of approximately \$600,000 per year versus "piggy-backing" on the County of Sacramento contract.

Staff does not feel it to be in the best interest of the City to reject all bids and attempt to competitively rebid this acquisition. In both IFB B074651002 and B074651005 this acquisition was competitively bid in accordance with City Code and API 1, Procurement of Supplies and Nonprofessional Services. In both instances, Placer Title/National Closing Solutions was found to be the lowest responsible, responsive, and technically capable bidder. Staff does not believe that the competitive pool of service providers has increased to the point that if all bids received in response to IFB B074651005 were rejected, the results would be any different than what they currently are.

For all of these reasons, Staff feels that it is in the best interests of the City, to suspend competitive bidding and award a contract to Placer Title/National Closing Solutions for a base and two option periods with an overall not-to-exceed value of \$600,000.

Financial Considerations: Code has spent approximately \$97,000 in FY 07 on title report searches. Due an unanticipated increase in the volume of work, Code Enforcement expects to spend \$200,000 for FY08 (Base Period), \$200,000 for FY09 (Option Year 1), and \$200,000 for FY10, for a total not-to-exceed value (including all options) of \$600,000.

Sufficient funds are available in the operating department's budget to accommodate the additional costs.

Emerging Small Business Development (ESBD): Not applicable

Respectfully Submitted by: 
Max B. Fernandez
Director, Code Enforcement

Recommendation Approved:

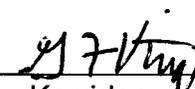

Ray Kerridge
City Manager

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BACKGROUND

Title Report Search Services

Title report search services are a necessary and vital tool for Code Enforcement. Through the use of title reports, Code Enforcement is able to provide the required noticing to property owners and beneficiaries whose properties are found to be in violation of City code or a potential risk to public safety. It is critical that these services be continued to address the nuisances and unsafe conditions created when a property is not in compliance with health and safety codes, building standards and other related laws.

In September 2006, the City issued a formal, multiple-year Solicitation (IFB B074651002) in accordance with City Code. Eighteen bidders registered for the Solicitation and the City only received two bids in response to the Solicitation, Placer Title/National Closing Solutions and another. Both bids were rejected due to bidding irregularities and procedural changes within the Department of Code Enforcement.

Later, in January 2007, through the informal, competitive bid process, the City advertised a multiple year Solicitation (IFB B074651005) for title report search services. Since the advertisement of IFB B075641005, the Department of Code Enforcement has experienced an increase in the volume of work, therefore requiring more title reports than previously anticipated. Two bids were received in response to IFB B074651005. Of those, Placer Title/National Closing Solutions was found to be the lowest responsible, responsive, and technically capable bidder.

In both cases extensive market research was performed in an attempt to widen the competitive pool. In the case of IFB B074651002, the Solicitation was advertised in accordance with City Code, in the *Official City Newspaper*, as well as direct market mailings to over twenty-five mortgage companies and trade associations. The City received two bids in response to the Solicitation, one from Placer Title/National Closing Solutions. Likewise, IFB B074651005 was provided to over twenty-five mortgage companies and trade associations in an effort to further expand the competitive range. The City again received two bids; once again, Placer Title/National Closing Solutions was found to be the lowest responsible, responsive, and technically capable bidder.

RESOLUTION NO.

Adopted by the Sacramento City Council

TITLE REPORT SEARCH SERVICES

BACKGROUND

- A. Title report search services are a necessary and vital tool for Code Enforcement. Through the use of title reports, Code Enforcement can provide the required noticing to property owners and beneficiaries whose properties are found to be in violation of City code or a potential risk to public safety. It is critical that these services be continued to address the nuisances and unsafe conditions created when a property is not in compliance with health and safety codes, building standards and other related laws.
- B. In January 2007, through an informal competitive bid process, the City advertised a multiple-year Solicitation (IFB B074651005) for title report search services. Since the advertisement of IFB B075641005, the Department of Code Enforcement has experienced an unanticipated increase in the volume of work, therefore requiring more title reports than previously anticipated. Two bids were received in response to IFB B074651005. Of those, Placer Title/National Closing Solutions was found to be the lowest responsible, responsive, and capable bidder.
- C. The City Code requires that contracts of \$100,000 or more be formally bid unless City Council approves the suspension of the competitive bidding process, and finds it to be in the best interests of the City.
- D. Staff feels that it is in the best interests of the City, to suspend competitive bidding and award a contract for title report search services to Placer Title/National Closing Solutions for a base and two option periods with an overall not-to-exceed value of \$600,000.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. In the best interest of the City, competitive bidding is hereby suspended for title report search services.
- Section 2. The contract for title report search services is awarded to Placer Title/National Closing Solutions for a base and two option periods with an overall not-to-exceed value of \$600,000.
- Section 3. The City Manager may authorize such extension(s) for the annual not to exceed amount specified above, provided that sufficient funds are available in the budget adopted for the applicable Fiscal Year(s).