

Condensed Title:

Request for Approval to issue a Request for Proposals (RFP) for A Building Development Process Fees Study.

Key Intended Outcome Supported:

Improve the City's overall financial health and maintain overall bond rating; Make city more business friendly.

Supporting Data (Surveys, Environmental Scan, etc.): The July 2008 Internal Report of Building Permit Fees included a finding related to the "Department's complex fee schedule and lack of regular revisions". The finding included that the fee schedule consists of numerous fees for specific scope of works. This complexity leads to inefficiencies and inconsistencies in charging customers. The City's external consultant JRD & Associates performed a comparison of fee structures used at other municipalities and further recommended that the City's fee schedule be modified to a simplified fee schedule. Benefits of having a simplified fee schedule cited by the consultant include having a more efficient way to charge customers, a streamlined process, an appropriate feeing mechanism and less congestion in the waiting areas. Based on this finding, internal audit recommended that the City pursue a simplified fee schedule.

Issue:

Shall the Mayor and City Commission approve the issuance of the RFP?

Item Summary/Recommendation:

The Administration proposes that the City issue a Request for Proposals (RFP) to select a qualified consulting firm to conduct an analysis of building development fees in the City of Miami Beach. The study should have distinct recommendations for fees in the various departments involved in the building development process, including the Building, Public Works/Engineering, Fire Prevention, and Planning/Zoning Departments.

The fees must be set by establishing a direct relationship between the services provided and the fees charge to permit holder.

The objective is to update all of the fees related to the Building Development Process and provide staff support for their adoption as an ordinance prior to the start of the FY 2009-10 budget year.

The consultant will work closely with a staff committee to be comprised of representatives from the Office of Budget and Performance Improvement, Finance, Building, Public Works/Engineering, Fire Prevention, and Planning/Zoning Departments ("Departments"). The consultant should develop recommendations that help ensure that fees are set at a level and in a manner to cover the direct and indirect costs of the building development process, are implementable, are understandable, easily updated in response to change, provide for a long range financially stable system and ensure the integrity of the permitting process and collection of fees. The scope of services will include the following: Phase 1 – Pre-planning and project kick-off; Phase 2 – Cost and Fee Analysis; Phase 3 – Public Outreach and Recommendations.

APPROVE THE ISSUANCE OF RFP.

Advisory Board Recommendation:

Financial Information:

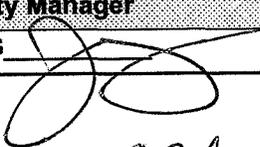
Source of Funds:	Amount		Account
	1	2	
OBPI			
	Total		

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Gus Lopez, Ext. 6641

Sign-Offs:

Department Director	Assistant City Manager	City Manager
AR  KB 	PDW 	JMG 

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MIAMIBEACH

AGENDA ITEM

DATE

C2A
12-10-08



MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: December 10, 2008

SUBJECT: **REQUEST FOR APPROVAL TO ISSUE A REQUEST FOR PROPOSALS (RFP)
FOR A BUILDING DEVELOPMENT PROCESS FEES STUDY.**

ADMINISTRATION RECOMMENDATION

Approve issuance of the RFP.

ANALYSIS

The Administration proposes that the City issue a Request for Proposals (RFP) to select a qualified consulting firm to conduct an analysis of building development fees in the City of Miami Beach. The study should have distinct recommendations for fees in the various departments involved in the building development process, including the Building, Public Works/Engineering, Fire Prevention, and Planning/Zoning Departments

The fees must be set by establishing a direct relationship between the services provided and the fees charge to permit holder.

The Building Department provides process intake, routing, billing, and computer support for all construction activities, issuance of all building and trade permits, verification of compliance with the Florida Building Code and enforcement of codes promulgated by regulatory agencies such as the Hotel and Restaurant Commission, Miami-Dade Environmental Resources Management, State Department of Health and Professional Regulation, Board of Adjustment and the U.S. Army Corp of Engineers. The Building Department staff conducts plans review and inspections for plumbing, structural, building, electrical, engineering, elevator and mechanical trades as required by the different permit types. Additionally, the Department oversees building re-certification, elevators and boiler inspections and FEMA flood regulations. In addition to the Building Department, the Prevention Services Division of the Fire Department, the Public Works Engineering Division, and the Planning and Zoning Department participate in the building development process including plan reviews and inspections.

The Fire Department is involved in the majority of building permits issued by the City. A fire fee is collected for each building permit corresponding to the fire department review and inspection. The Public Works Department Engineering Division staff conducts plan reviews and inspections for all construction activities that occur within the public right-of-way (streets, roadways, waterways, alleys and sidewalks), public property and easements.

The Public Works Department also performs plan review activities supporting a variety of Building Department permits in private property that will connect and/or will have potential impacts to City owned utilities, right-of-way and/or easements. The department also determines the level of traffic analysis required for compliance with City regulations, including review and approval of traffic impact studies. In addition, the department conducts technical review of applications that are to be submitted to County and State regulatory agencies as part of the building development process.

The Planning Department serves as staff to the City's Planning Board, Board of Adjustment, Design Review Board, Historic Preservation Board, and Single Family Residential Review Panel. Depending on the scope of the project, new development is required to receive approval from one or more of these Boards. The Planning Department processes the applications, reviews and prepares recommendations to all of the above Boards. Fees are assessed for the various Planning applications according to a fee schedule contained within the City Code. The fees have been evaluated from time to time, and compared with other similar municipalities.

The Planning Department also reviews all building permits for compliance with the land development regulations and consistency with architectural review guidelines and preservation appropriateness criteria. This zoning review is required to ensure compliance with existing legislation, zoning requirements, and state growth management requirements. However, this function is not fee-based, as Section 553.80(7) of the Florida Statutes precludes building permit fees to be used for Planning and zoning or other general government activities. Alternative means of funding such functions should be explored.

A fee for each permit is required to be paid, in accordance with the fee schedule established and approved by City Commission, on all buildings, electrical, elevators, mechanical, plumbing, and fire protection new systems or alterations requiring a permit. In addition, fees are collected for Miami Dade Building Code Compliance, sanitation, zoning, and radon fees. The Public Works Department collects fees associated with right-of-way (ROW) construction activities. Concurrency fees are charged by the Planning Department.

The fees for the Building Department fees should be structure as per the Florida Building Code SS 553 and SS 166.22, as outlined below:

Section 553.80(7), Florida Statutes:

- (7) The governing bodies of local governments may provide a schedule of reasonable fees, as authorized by s. 125.56(2) or s. 166.222 and this section, for enforcing this part. These fees, and any fines or investment earnings related to the fees, shall be used solely for carrying out the local government's responsibilities in enforcing the Florida Building Code. When providing a schedule of reasonable fees, the total estimated annual revenue derived from fees, and the fines and investment earnings related to the fees, may not exceed the total estimated annual costs of allowable activities. Any unexpended balances shall be carried forward to future years for allowable activities or shall be refunded at the discretion of the local government. The basis for a fee structure for allowable activities shall relate to the level of service provided by the local government. Fees charged shall be consistently applied.

Further, Section 166.222, Florida Statutes, regarding building code inspection fees, states the following –The governing body of a municipality may provide a schedule of reasonable inspection fees in order to defer the costs of inspection and enforcement of the provisions of its building code.

Scope of Services

The objective is to update all of the fees related to the Building Development Process and provide staff support for their adoption as an ordinance prior to the start of the FY 09-10 budget.

The consultant will work closely with a staff committee to be comprised of representatives from the Office of Budget and Performance Improvement, Finance, Building, Public Works/Engineering, Fire Prevention, and Planning/Zoning Departments (“Departments”). The consultant should develop recommendations that help ensure that fees are set at a level and in a manner to cover the direct and indirect costs of the building development process, are implementable, are understandable, easily updated in response to change, provide for a long range financially stable system and ensure the integrity of the permitting process and collection of fees. The scope of services will include the following:

Phase 1 – Pre-planning and project kick-off

1. Meet with staff committee members to review and refine the project methodology.
2. Review the City’s current fee schedules for the building development process, including fees charged by all Departments involved in the process (Building, Planning, Public Works, and Fire).
3. Meet with staff from Departments, the Office of Budget and Performance Improvement, and Finance to discuss current problems with the existing fee ordinance.
4. Review relevant prior studies conducted by the City, including existing cost allocation studies and prior studies reconciling revenues and fees.
5. Review historical direct costs and revenues of the City’s building development process.
6. Review the indirect cost allocation and service rates (e.g. transportation mileage rates, internal service charge rates, etc.) to be provided by the City to be used in the determination of the cost of providing the services.
7. Review the average hourly rates for all of job classifications involved in the Building Development Process to be provided by the City.

Phase 2 – Cost and Fee Analysis

1. Review fee structures from other comparable municipalities.
2. Work with the Departments to identify all of the functional units and service types for which a different fee will be established, (“Units”) and determine appropriate basis for fees for each of these Units.

3. Collect and analyze available data to document the effort involved in the various Units identified and document the cost of providing each of these services for the last year, the current year and the next three years. The cost should include overhead and service charges.
4. Develop a fee system that supports the "Units" cost for the same periods as outlined above and provide for a 10% contingency fee for each of the "Units".
5. Conduct a comparative analysis between the proposed fee schedules and other local comparable municipal building process fee schedules.

Phase 3 – Public Outreach and Recommendations

1. Recommend modifications to the fee schedules for each of the departments involved in the City's Building Development Process.
2. Recommend updates to the fees for the next fiscal year, and provide a methodology for recommending updates in subsequent years.
3. Present recommendations to the project staff committee, City management, and the industry and attend any Commission Committee workshops or Commission meetings where the proposed fee schedule or related matters are discussed.
4. Provide written guidelines (process and procedures) for the implementation of the recommended fee ordinance.

Minimum Requirements

The proposals that do not meet the following minimum requirements shall be deemed non-responsive and will not be further evaluated.

Have successfully completed within the past four years at least two fee studies for Building Department in the State of Florida urban cities of comparable size to Miami Beach.

EVALUATION PROCESS

The procedure for response, evaluation and selection will be as follows:

- RFP issued
- Receipt of responses.
- Opening and listing of all responses received.
- An Evaluation Committee, appointed by the City Manager, shall meet to evaluate each response in accordance with the requirements of this RFP. If further information is desired, respondents may be requested to make additional written submissions or oral presentations to the Evaluation Committee.

The Evaluation Committee will recommend to the City Manager the response(s) that the Evaluation Committee deem to be in the best interest of the City by using the following criteria for selection:

- | | |
|---|-----------|
| ○ Qualifications of Individuals assigned to work with the City | 35 points |
| ○ Consultant(s) experience and past performance with similar projects | 20 points |
| ○ Proposed Fees | 35 points |
| ○ Methodology and Approach | 10 points |

- After considering the recommendation(s) of the Evaluation Committee, the City Manager shall recommend to the City Commission the response or responses, acceptance of which the City Manager deems to be in the best interest of the City.
- The City Commission shall consider the City Manager's recommendation(s) in light of the recommendation(s) and evaluation of the Evaluation Committee and, if appropriate, approve the City Manager's recommendation(s). The City Commission may reject the City Manager's recommendation(s) and select another response or responses. In any case, City Commission shall select the response or responses, acceptance of which the City Commission deems to be in the best interest of the City. The City Commission may also reject all proposals.
- Negotiations between the selected respondent and the City take place to arrive at agreement terms. If the City Commission has so directed, the City may proceed to negotiate an agreement with a respondent other than the top ranked respondent if the negotiations with the top ranked respondent fail to produce a mutually acceptable agreement within a reasonable period of time.
- A proposed contract or contracts are presented to the City Commission for approval, modification and approval, or rejection.
- If and when a contract or contracts acceptable to the respective parties is approved by the City Commission, the Mayor and City Clerk sign the contract(s) after the selected respondent(s) has (or have) done so.

Should the Mayor and Commission authorize the issuance of this RFP, all procurement rules (i.e. Cone of Silence, etc.) will apply.

CONCLUSION

The Administration recommends that the Mayor and the City Commission authorize the issuance of a Request for Proposals (RFP) for A Building Development Process Fees Study.