

cityofnovi.org

CITY of NOVI CITY COUNCIL

Agenda Item **7**
June 6, 2011

SUBJECT: Approval of an intergovernmental agreement with the City of South Lyon for the City of Novi to provide Building Department review and inspection services for a period of up to two (2) years.

SUBMITTING DEPARTMENT: Community Development Department, Building Division *was*

CITY MANAGER APPROVAL: *[Signature]*

BACKGROUND INFORMATION:

As a result of efforts to leverage resources and participate in cost saving partnerships with other communities, the City of Novi has had the opportunity to provide Building Plan review and inspection services to the City of South Lyon. The attached agreement has been approved by the South Lyon City Council to extend the relationship for an additional two (2) years and is in keeping with the goal of maintaining fiscally responsible governments both at the City of Novi and our neighbors at the City of South Lyon.

- Compensation: The City of South Lyon will continue to compensate Novi with 75% of all review, permit and inspection fees for construction projects collected during the term of the contract based on the current and future fee schedules adopted by the City of South Lyon. While construction and development levels have been subdued, the current contract resulting in revenue of \$14, 095 to the City of Novi through the first 10 months of FY10-11.
- Term: The contract is proposed from July 1, 2011 thru June 30, 2013.
- Novi Building Division staff will continue to provide reviews, inspections, residential plot plan reviews and coordination for building permits issued by the City of South Lyon in their offices, by their staff. While not contemplated at the start of the contract, the language also allows Novi to provide trade inspections should the need arise. Designated Novi staff will provide telephone and face to face consultation for customer of South Lyon in the Novi Civic center.
- Andy Gerecke will continue to act as Building Official for the City of South Lyon. Representation will be required for normal coordination meetings and other specified meetings only.
- The agreement does not contemplate the provision of Planning or Ordinance Enforcement services except as specifically noted, but that could be discussed in the future.

RECOMMENDED ACTION: Approval of an intergovernmental agreement with the City of South Lyon for the City of Novi to provide Building Department review and inspection services for a period of up to two (2) years.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Fischer				
Council Member Margolis				

	1	2	Y	N
Council Member Mutch				
Council Member Staudt				
Council Member Wrobel				



CITY OF SOUTH LYON

Mayor
Tedd M. Wallace

Council
Glenn Kivell
Erin Kopkowski
Michael Kramer
Ron Morelli
Charles Selden
Harvey Wedell

City Manager
David M. Murphy

City Clerk/Treasurer
Julie C. Zemke

May 25, 2011


City Council
City of Novi
45175 W. 10 Mile Road
Novi, MI 48375

Dear Mayor Landry and City Councilmembers:

As you are aware, the City of South Lyon and the City of Novi recently entered into our second Intergovernmental Agreement for Building Inspection Services. I would like to take a moment to express how pleased the City has been with the services that have been provided by Andy Gerecke, Chris Weber, Hal Hultman and Charles Boulard. Their responsiveness to inspection requests, and general questions and comments from our residents has exceeded our expectations. Comments to our Councilmembers about your staff have been extremely positive.

Given the recent legislative changes at the State level and the urging of shared services, I believe that this intergovernmental agreement shows that we are well ahead of many communities throughout the State of Michigan.

Sincerely,


David M. Murphy
City Manager

335 S. Warren
South Lyon, Michigan
48178

248-437-1735
Fax 248-486-0049

www.southlyonmi.org



CITY OF SOUTH LYON

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City Manager
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City Clerk/Treasurer
Julie C. Zemke

May 18, 2011

City Of Novi
45175 W. Ten Mile
Novi, MI 48375
Attn: Charles Boulard
Community Development Director

Re: Contract Renewal

Dear Mr. Boulard:

Enclosed please find two executed copies of the contract between the City of South Lyon and the City of Novi for Building Inspection Services.

Please have the documents executed by the City of Novi and return one copy to me. If you have any questions, please do not hesitate to contact me.

Sincerely,

David M. Murphy
City Manager

335 S. Warren
South Lyon, Michigan
48178

248-437-1735
Fax 248-486-0049

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INTERGOVERNMENTAL
AGREEMENT FOR BUILDING INSPECTION SERVICES

City of Novi
and
City of South Lyon

This Agreement is between the City of Novi, a Michigan municipal corporation, (“Novi”), whose address is 45175 W. Ten Mile Road, Novi, MI 48375, and the City of South Lyon, a Michigan municipal corporation, (“South Lyon”), whose address is 335 South Warren, South Lyon, MI 48178.

RECITALS:

WHEREAS, under the Urban Cooperation Act, PA 7 of 1967, as amended, municipalities are permitted to enter into intergovernmental agreements for the joint performance of various governmental functions by public agencies; and

WHEREAS, under the Single State Construction Code Act, Section 8b(2) (MCL 125.1808b(2)), governmental subdivisions are permitted to “provide by agreement for the joint enforcement of” the act;

WHEREAS, South Lyon requires the services of qualified building inspectors for the performance of routine building plan reviews, inspections, and certain enforcement activities within the City of South Lyon, and also needs the services of an individual to act as Building Official for South Lyon; and

WHEREAS, Novi employs construction code inspectors registered in compliance with the requirements of the Building Officials and Inspectors Registration Act, PA 54 of 1986, as amended; and

WHEREAS, Novi has a sufficient number of full-time and part-time inspectors to allow it to assign inspectors to perform inspections within South Lyon and to provide services necessary to act as the Building Official for the City of South Lyon; and

WHEREAS, Novi and South Lyon desire to set forth in writing the terms and conditions upon which Novi will provide building inspection and other construction code-related services to South Lyon, including the compensation to be paid to Novi for such services:

NOW, THEREFORE, THE PARTIES AGREE that Novi will provide building inspectors to perform the construction inspection and related services for South Lyon, and will provide an individual to act as Building Official for South Lyon, in accordance with the following terms and conditions:

1. General Scope of Services:

- a. For and in consideration of payment by South Lyon as provided in this Agreement, Novi shall perform the services described herein and in Exhibit A (attached and incorporated) on an as-needed and as-requested basis, in a manner consistent with that degree of care and skill ordinarily exercised by inspectors currently practicing under similar circumstances.
- b. The individuals assigned by Novi to perform reviews, inspections, and other activities required under this Agreement within and on behalf of the City of South Lyon shall do so in a confident, efficient, timely, good, and workmanlike manner and in compliance with the following:
 - (1) All code inspectors shall be registered under the Building Officials and Inspectors Registration Act, as amended;
 - (2) All code inspectors shall carry and display the written credentials and proof that the City of Novi provides the inspector of his or her appointment and position;

2. Terms of Agreement:

The term of this Agreement shall be two (2) years, beginning on July 1, 2011 and ending on June 30, 2013. Either party may terminate this Agreement for any reason upon forty-five (45) days' written notice to the other party. Either party may terminate this Agreement upon 7 days' written notice to the other party in the event of substantial failure by the other party to fulfill its obligations under this agreement through no fault of the terminating party.

3. Payment for Services:

- a. For services set forth in the attached and incorporated Schedule B, South Lyon shall pay Novi 75% of the review and inspection fees assessed or imposed by South Lyon in accordance with the attached Schedule B, which is South Lyon's current fee schedule.
- b. For Commercial Certificate of Occupancy Inspections, Novi shall perform inspections at the cost of \$50.00 per inspection, and \$50.00 per ½ hour for follow-up inspections.

For Property Maintenance, Zoning and Building Code Complaint Inspections and attendance at requested meetings of the Zoning Board of Appeals, Planning Commission and City Council. , Novi shall perform inspections and attend meetings at a rate of \$100.00 per hour with a minimum charge of ½ (0.5) hour per property. South Lyon shall send Novi a written request for inspection setting forth the number of hours authorized and clearly defining costs and expectations.

South Lyon agrees to use all appropriate efforts and means to collect the required fees in accordance with the schedule, but shall pay Novi the fees due for services rendered regardless of whether they are collected. Novi shall invoice South Lyon on a monthly basis for services rendered. Invoices shall be generated on the basis of records of activities maintained by South Lyon and verified by Novi. Payment shall be made within thirty (30) calendar days of the time of receipt of invoice from Novi. If payment is not maintained on a thirty (30) day current basis, Novi may suspend further performance until payments are current.

4. Liability:

South Lyon acknowledges that Novi is performing a valuable and essential governmental function for and on behalf of South Lyon. It is the intent of the parties that in performing the inspection and related services under this Agreement, Novi has and shall retain governmental immunity as a governmental agency, and shall also have and receive any immunity conferred by virtue of the performance of the obligations that are by statute or otherwise the responsibility of South Lyon and for which it is immune. Neither party, its officers, officials, council members, employees, or agents shall be liable for the intentional or negligent acts of the other party, its officers, officials, council members, employees, or agents. Each party shall indemnify and hold harmless the other party for such acts.

5. Insurance:

The individuals performing services under this Agreement shall be insured by the City of Novi, which shall provide motor vehicle, worker's compensation, and general liability insurance under Novi's existing policies.

6. Entire Agreement:

This Agreement contains the entire agreement between Novi and South Lyon relating to services to be provided by Novi. Any prior agreements, promises, negotiations, and representations not expressly set forth in this Agreement are of no force or effect. Subsequent modifications to this Agreement shall be in writing and signed by both Novi and South Lyon.

7. Severability:

Waiver of any term, condition, or covenant, or breach of any term, condition, or covenant, shall not constitute the waiver of any other term, condition, or covenant, or the breach of any other term, condition, or covenant. If any term, condition, or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall be valid and binding on Novi and South Lyon, unless the court's action or holding has the effect of frustrating the purpose of this Agreement.

8. Inspection:

All work performed by Novi shall be subject to review by South Lyon to assure compliance with this Agreement.

9. Notices:

Written notices under this Agreement shall be given to the parties at their addresses on page one by personal or registered mail delivery to the attention of the following persons:

City of Novi: Charles Boulard, Community Development Director and Maryanne Cornelius, Clerk.

South Lyon: David Murphy, City Manager

10. Construction:

This Agreement shall be construed under the laws of the State of Michigan.

11. Authority:

The parties are authorized to enter into this Agreement by virtue of the provisions of the Urban Cooperation Act, Public Act 7 of 1967, as amended, being MCL 124.501, *et seq.*, and the Single State Construction Code Act, Public Act 230 of 1972, being MCL 125.1501, *et seq.*

12. No Third Party Beneficiaries:

Except as provided for the benefit of the parties, this Agreement does not and is not intended to create any obligation, duty, promise, contractual right or benefit, right to indemnification, right to subrogation and/or any other right in favor of any other person or entity.

13. Reservation of Rights:

This Agreement does not, and is not intended to impair, divest, delegate, or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty or immunity of the parties. Nothing in this Agreement shall be construed as a waiver of governmental immunity.

14. Agreement Modifications or Amendments:

Any modifications, amendments, recessions, waivers, or releases to this Agreement must be in writing and agreed to by the parties.

15. Approvals:

The parties have taken all actions and secured all approvals necessary to authorize and complete this Agreement. The persons signing this Agreement on behalf of each party have legal authority to sign this Agreement and bind the parties to the terms and conditions contained here.

[Signatures on next page]

CITY OF NOVI

By: _____
David B. Landry, Mayor

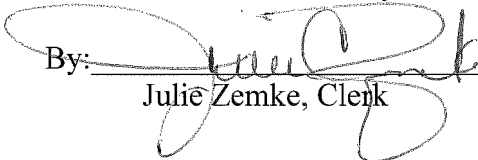
By: _____
Maryanne E. Cornelius, Clerk

Dated: _____

1425205.2

CITY OF SOUTH LYON

By:  _____
Tedd Wallace, Mayor

By:  _____
Julie Zemke, Clerk

Dated: 5/18/11

EXHIBIT A

SCOPE OF SERVICES

The City of Novi shall:

- A. Provide building inspection services for construction-related activities, including all services, supplies, labor, material, and supervision necessary to review plans and building permit applications, authorize issuance of permits, and perform building inspections under the building code, rules, and regulations, and also to perform such services under the plumbing, mechanical, electrical, fire alarm, and fire suppression codes, rules, and regulations as requested. For purposes of this Scope of Services, the building code shall mean the State of Michigan Single State Construction Code as adopted by Public Act 230 of 1972, as amended.
- B. Perform plot plan reviews for single-family homes (but not site plan review for non-residential developments).
- C. Perform Commercial Certificate of Occupancy Inspections at the request of the City of South Lyon, consisting of the inspection of a business suite for safety, significant maintenance issues, work underway requiring permits and plumbing fixture counts. Novi shall record results on the pre-inspection checklist and forward to South Lyon staff for either the issuance of a Certificate of Occupancy, or the issuance of a correction letter.
- D. Perform Property Maintenance, Zoning and Building Code Complaint Inspections upon the written request of the City of South Lyon. Where the creation of correspondence is necessary as a result of the inspections, Novi staff will create draft text to be forwarded to South Lyon for review, formatting and placement on South Lyon letterhead. Novi staff will also attend requested meetings of the Zoning Board of Appeals, Planning Commission and City Council.
- E. Pick up and drop off permit and inspection documents from South Lyon City offices approximately 2 to 3 times each week, as needed or required.
- F. Provide representation for a reasonable number of project-related development and construction consultations at the Novi City Hall location
- G. Provide support and representation at a maximum of (4) Construction Board of Appeals meetings or other meetings per year up to maximum of four (4) hours.
- H. Maintain records of permits, applications, inspections, and enforcement actions for current projects.

- I. Designate a qualified individual to act as Building Official for the City of South Lyon.
- J. All individuals and code inspectors shall:
 - (1) Comply with all the requirements of the Single State Construction Code Act, as amended, and all requirements of the codes for and under which he or she is providing inspections and related services to South Lyon
 - (2) Perform and report the results of inspections and other services required in the time and manner required by any directives that he or she may receive from South Lyon
 - (3) Not issue any enforcement action or stop work orders without the written authorization by South Lyon; and

The City of South Lyon shall:

- A. Provide all necessary forms needed to conduct plan reviews, issue permits, and maintain comprehensive permit and project files.
- B. Arrange and schedule inspections and provide site location, inspection type information, and permit tracking information.
- C. Provide mailing, meeting space, and clerical/record keeping support for Construction Board of Appeals meetings.
- D. Monitor Soil Erosion and Sedimentation Control administration, permitting and inspections that are the responsibility of Oakland County.

EXHIBIT B.

FEE SCHEDULE

(Attached)

CITY OF SOUTH LYON FEE SCHEDULE

Adopted by the City Council 1/25/10

BUILDING PERMITS

Cost of Construction:		
	\$1-\$1,000	\$60
	\$1,001-\$2,000	\$75
	\$2,001-\$3,000	\$90
	\$3,001-\$4,000	\$105
	\$4,001-\$5,000	\$120
	\$5,001-\$6,000	\$135
	\$6,001-\$7,000	\$150
	\$7,001-\$8,000	\$165
	\$8,001-\$9,000	\$180
	\$9,001-\$10,000	\$195
	\$10,001-\$100,000	\$195+\$5 per \$1,000 over \$10,001
	\$100,001-\$500,000	\$645+\$5 per \$1,000 over \$100,001
	\$500,000 Plus	\$2645+\$5 per \$1,000 over \$500,000
Additional/Re-inspection		\$35
Special or overtime inspection		\$45 per hour or fraction - minimum \$90
Starting work without permit		double fee
Zoning permit for structures not requiring a permit		\$50
Signs		
	Temporary (30 days)	\$20
	Permanent Sign	Same as Building Permit Fees
	Sandwich Board Sign	\$50 per calendar year
Demolition		\$50 + \$.05 per square foot
* Demolition permits may be issued only after applicant certifies that all utilities have been notified and disconnected		
Permit Cancellation		35% of Permit fee
Permit reactivation for abandoned permits		35% of original fee
Contractor License Registration		\$15
Cash Bond for new construction		\$500

*A plan review fee for any construction project over \$100,00 estimated cost of construction will be charged .15% of the permit fee

** The current ICC Building Valuation Data Report will be used to compute building permit fees if required