



DATE / MAY - 6 2010

FILE CODE /

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CRA File No. <u>999</u> Council District: <u>Various</u> Contact Person: <u>Philip A. Tondreault</u> (213) 977-1809

Honorable Council of the City of Los Angeles John Ferraro Council Chamber 200 N. Spring Street Room 340, City Hall Los Angeles, CA. 90012

COUNCIL TRANSMITTAL:

Transmitted herewith, is a Board Memorandum adopted by the Agency Board on May 6, 2010, for City Council review and approval in accordance with the "Community Redevelopment Agency Oversight Ordinance" entitled:

VARIOUS ACTIONS RELATED TO:

Real Estate Consultant Services for Appraisal, Acquisition, Relocation and Property Management.

RECOMMENDATION

That City Council approve(s) recommendation(s) on the attached Board Memorandum.

ENVIRONMENTAL REVIEW

The recommended action does not constitute a "project" as defined by the California Environmental Quality Act ("CEQA")

FISCAL IMPACT STATEMENT

There is no fiscal impact to the City's General Fund, as a result of this action.

Calvin E. Hollis, Interim Chief Executive Officer

 cc: Alan Alietti, Office of the City Clerk (Original & 3 Copies on 3-hole punch) Lisa Johnson Smith, Office of the CAO Ivania Sobalvarro, Office of the CLA Steve Ongele, Office of the Mayor Noreen Vincent, Office of the City Attorney

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA

MEMORANDUM

DATE: MAY 6, 2010

VARIOUS

TO: CRA/LA BOARD OF COMMISSIONERS

FROM: CALVIN E. HOLLIS, INTERIM CHIEF EXECUTIVE OFFICER

RESPONSIBLE PARTIES: PHILIP TONDREAULT, DEPUTY DIRECTOR, REAL ESTATE DEPARTMENT CAROL A. CHIODO, ACQUISITION AND RELOCATION MANAGER

SUBJECT:

AWARD CONTRACTS TO THIRTY-SIX (36) FIRMS TO PROVIDE AS NEEDED REAL ESTATE CONSULTANT SERVICES FOR ACQUISITIONS, APPRAISALS, RELOCATION AND PROPERTY MANAGEMENT SERVICES FOR A TERM OF THREE-YEARS WITH TWO ONE-YEAR OPTIONS TO EXTEND FOR AN AMOUNT NOT TO EXCEED \$2,500,000 OVER THE TERM OF THE CONTRACTS

RECOMMENDATION

That the CRA/LA Board of Commissioners, subject to City Council review and approval, authorize the Chief Executive Officer or designee to award contracts to thirty-six (36) firms to provide appraisal, acquisition, relocation and property management services, on an as-needed basis, for a three-year term with two one-year options to extend for a total amount not to exceed \$2,500,000 over the term of the contracts.

SUMMARY

This action will facilitate the process of contracting with acquisition, appraisal, relocation and property management firms to provide those services for work anticipated over the next three years.

Recognizing that the real estate workload shifts over time, these contracts will enable the Real Estate Department to accommodate or adjust to any changes in the current workload. For instance, during the last 18-months, both the volume and scope of the Real Estate Department's assignments have expanded beyond the traditional functions of real property appraisals, acquisitions and interim property management. There is now an emphasis on residential and business relocations and longer-term property appraisals for both acquisitions and loan underwriting, as well as more specialized appraisals for fixtures, furnishings and equipment (FF&E) and business goodwill valuations. The existing pre-approval pool for appraisals does not provide adequate appraisers for FF&E appraisals and goodwill valuations.

The current Acquisition and Relocation Consultant contract pool has expired, the Property Management contract pool will expire on June 30, 2010 and while the appraisal contract pool does not expire for another two years, it needs to be expanded to include additional FF&E and Goodwill appraisers.

In recognition of this changing work load, CRA/LA staff issued a Request for Qualifications – RFQ No. NP-10780 on September 25, 2009.

From this RFQ, CRA/LA staff received and evaluated fifty-five (55) responses and is now recommending the selection of thirty-six (36) firms, as listed in Attachment "A", to create prequalified pools of firms to provide the various Real Estate Services cited above.

To provide the needed real estate services on an individual case by case basis, would require staff to issue separate Request for Proposals (RFP) for each project, which could take four to five months to complete. However, the ability to solicit proposals from a prequalified pool of real estate consultants would reduce the time needed for consultant selection by more than 50%. When a project arises, staff will select firms from the list in accordance with CRA/LA procedures and solicit cost and/or technical proposals from the firms capable of providing the services requested. As a result, staff time and efficiencies will be realized due to staff's ability to expedite the initiation and completion of work for specific assignments.

<u>RE</u>

September 4, 2001 – City Council approved a list of thirteen (13) pre-qualified firms for a threeyear period to provide acquisition and relocation services as needed. This list was subsequently extended for an additional two years and expired September 3, 2006.

November 28, 2006 – City Council approved a list of six (6) pre-qualified firms for a three-year period to provide acquisition and relocation services as needed. This list expired on November 27, 2009.

April 28, 2007 – City Council approved a list of thirty-two (32) pre-qualified firms for a five-year term to provide appraisal services on as-needed bases. Funding must be approved on an annual bases and full contract is due to expire on June 30, 2012.

April 28, 2007 - City Council approves a list of three (3) pre-qualified firms for three (3) year terms to provide property management services on as-needed bases. Funding must be approved on an annual bases and the full contract is due expire on June 30, 2010.

SOURCE OF FUNDS

The funding source is derived from the projects or project areas utilizing these services.

ENVIRONMENTAL REVIEW

The proposed action does not constitute a "project" as defined by the California Environmental Quality Act.

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ENVIRONMENTAL REVIEW

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PROGRAM AND BUDGET IMPACT

The proposed actions will be in conformance with the CRA/LA approved Work Program and Budget in effect when each contract is issued. The funding source will vary, depending upon sources allocated for the proposed projects.

BACKGROUND

On September 25, 2009, the CRA/LA issued RFQ No. NP-10780 soliciting firms qualified to provide real estate services that included: acquisition, relocation, appraisal, and property management services. The RFQ was made available for downloading on the CRA/LA website and the City of Los Angeles Business Area Virtual Area Network (BAVN).

Prior to the release of the RFQ, CRA/LA staff sought to maximize its outreach activities in identifying additional firms in this service category by conducting a variety of pre-solicitation methods as follows:

A pre-solicitation notice was posted on the CRA/LA website and the City of Los Angeles website.

Pre-solicitation notices regarding the CRA/LA's intent to issue the RFQ were published in four (4) newspapers in the Los Angeles area, including the Los Angeles Times, the Chinese Daily News, La Opinion and the Los Angeles Sentinel.

Pre-solicitation notices were sent to forty-five (45) firms from the CRA/LA business directory.

Pre-solicitation notices were originally mailed to 109 non-profit and minority/professional business organizations to further expand the CRA/LA's outreach. The non-profit and minority business organizations provided additional assistance in disseminating the pre-solicitation notices to their members.

The final RFQ was released for direct downloading from the CRA/LA website on September 25, 2009, and from the City of Los Angeles Business Virtual Network (BAVN). As a result of the CRA/LA outreach efforts, sixty-two (62) firms registered as receiving/downloading RFQ No. 10780. The RFQ closed on November 2, 2009 and the CRA/LA received fifty-five (55) responses.

Staff selection of the consultants was based principally on the following:

- Qualifications, experience and skills of team members who may be assigned to provide the services.
- Qualifications, experience and skills of the firm, including strong relevant working experience in providing similar projects as defined in the RFQ.
- Firm's ability to perform quality work on a timely basis under restrictive deadlines as demonstrated from other case studies.

- Firms past working experience in performing acquisitions services, in securing appraisals, in performing relocation services and performing property management services as demonstrated by the documented approach; and
- Proposed hourly rates and related fees.

For each category of the RFQ – acquisition, appraisal, relocation and property management – a separate three-person team of CRA/LA staff was selected to evaluate the submitted responses. These teams consisted of two staff members from the Real Estate Department and one member from a Regional office.

Based on their evaluations, Real Estate is recommending a total of thirty-six (36) firms be approved to create the pre-qualified consultant pool for Real Estate Services. Attachment "A" lists the selected firms by their area of specialty, namely acquisition, appraisal, relocation and property management, as well as where their main office is located.

Because the selection of consultants will ultimately be based on the competitive selection process identified earlier in this memorandum, the inclusion of a firm on the pre-qualified list does not guarantee that they will actually be awarded a contract. When a need arises, staff will request technical and cost proposals from firms based on the specific characteristics of the required work and the expertise of the consultants that are available. Subject to the nature of needed services, staff may invite team proposals when various areas of expertise may be required for a given assignment.

All firms will be bound by the CRA/LA's policies regarding Equal Opportunity and Affirmative Action Program, Living Wage, Equal Benefits, Contractor Responsibility and other City and Federal requirements as applicable.

Of the thirty-six (36) firms selected, fourteen (14) are based in the City of Los Angeles, twelve (12) in the County of Los Angeles, five (5) are in Orange County, two (2) are in the County of Ventura, one (1) each in the Counties of San Diego and San Bernardino, and one is based Sacramento, that will set-up a local office as needed.

Calvin E. Hollis Interim Chief Executive Officer

By ann

Glerin F. Wasserman Chief Operating Officer

There is no conflict or interest known to me which exist with regard to any CRA/LA officer or employee concerning this action.

Attachment

Attachment A – List of Selected Consultants by Specialty

- Firms past working experience in performing acquisitions services, in securing appraisals, in performing relocation services and performing property management services as demonstrated by the documented approach; and
- Proposed hourly rates and related fees.

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Glerin F. Wasserman Chief Operating Officer

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Attachment

Attachment A – List of Selected Consultants by Specialty

ATTACHMENT "A" LIST OF SELECTED CONSULTANTS BY SPECIALTY

ACQUISITIONS

Del Richardson Epic Land Solutions HDR Overland, Pacific and Cutler Paragon Partners, LTD Tierra West **Universal Field Services**

APPRAISALS

Brandon Kidd & Associates **BTI** Appraisal California Commercial Appraisers CB Richard Ellis Group, Inc. Crockett & Associates, LTD (FF&E) **Cummings Appraisals Group** Curtis-Rosenthal, Inc. Desmond, Marcello & Amster, LLC (FF&E and Goodwill) City of Los Angeles Donna Desmond Associates (Goodwill) Flavell, Tennenbaum & Edwards Girbovan, Inc. (Integra Tech) (Goodwill) Hampstead Appraisal Company Higgins, Marcus & Lovett, Inc. (Goodwill) Hodges, Lacey & Associates (FF&E) Integra Realty Resources Jeremy Bagott Company Keith Settle & Company Lea Associates Pacific Real Estate Consultants Paragon Partners

CITY/COUNTY LOCATED

Inglewood County of Los Angeles County of Orange County of Los Angeles County of Orange Los Angeles Sacramento (will set up local offices as needed)

County of San Bernardino **City of Los Angeles** County of San Diego City of Los Angeles County of San Diego County of Los Angeles **City of Los Angeles** City of Los Angeles County of Los Angeles County of Los Angeles City of Los Angeles City of Los Angeles County of Los Angeles City of Los Angeles County of Ventura County of Los Angeles City of Los Angeles County of Orange County of Orange

APPRAISALS (Cont'd)

Parkcenter Realty Advisors R.P. Laurain & Associates, Inc. Riggs & Riggs Sanli Pastore & Hill **(FF&E and Goodwill)** Tierra West Advisors Valentine Appraisal & Associates, Inc. Washington Realty Advisors

PROPERTY MANAGEMENT

Epic Land Solutions New Capital, LLC Overland Pacific and Cutler Real Estate Consulting & Services, Inc, (REC & S., Inc.) Serrano Development Group

RELOCATION

Del Richardson & Assoc. Epic Land Overland Pacific & Cutler (OPC) Paragon Partners Pearce Consulting Shober Consulting Universal Field Services

CITY/COUNTY LOCATED

County of Orange County of Los Angeles County of Ventura City of Los Angeles City of Los Angeles County of Los Angeles City of Los Angeles

County of Los Angeles County of Los Angeles County of Los Angeles County of Orange City of Los Angeles

County of Los Angeles

Los Angeles

County of Los Angeles

County of Orange

County of Orange

City of Los Angeles

Sacramento (will set up local offices as needed)

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Parkcenter Realty Advisors R.P. Laurain & Associates, Inc. Riggs & Riggs Sanli Pastore & Hill (FF&E and Goodwill) Tierra West Advisors Valentine Appraisal & Associates, Inc. Washington Realty Advisors

PROPERTY MANAGEMENT

Epic Land Solutions New Capital, LLC Overland Pacific and Cutler Real Estate Consulting & Services, Inc, (REC & S., Inc.) Serrano Development Group

RELOCATION

Del Richardson & Assoc. Epic Land Overland Pacific & Cutler (OPC) Paragon Partners Pearce Consulting Shober Consulting Universal Field Services

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Los Angeles

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County of Orange

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