

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: August 07, 2014

CAO File No. 0220-04736-0006

Council File No.

Council District: ALL

To: The Mayor  
The Council

From: Miguel A. Santana, City Administrative Officer  
Chair, Municipal Facilities Committee



Reference: Asset Management Strategic Planning (C. F. #12-1549)

Subject: **ESTABLISH LIST OF PREQUALIFIED CONSULTANTS FOR STRATEGIC PLANNING  
FOR ASSET MANAGEMENT AND ECONOMIC DEVELOPMENT**

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### SUMMARY

At its meeting of July 31, 2014, the Municipal Facilities Committee approved a report from my Office's Asset Management Strategic Planning Unit recommending the approval of a list of prequalified consultants, identified through a competitive Request for Qualifications, to provide services for the City's efforts related to strategic planning for asset management and economic development (Attachment A – List of Prequalified Consultants). This action is now transmitted for Mayor and Council consideration.

In December 2012, the Council, with concurrence from the Mayor, established the Asset Management Strategic Planning Unit (AMSP) in the Office of the City Administrative Officer (CAO) to provide the framework and perform preliminary analysis on various asset management strategic planning needs in the City, including the identification of areas of opportunity where the City can leverage its real estate assets for economic development. As AMSP is currently engaged in these efforts and working with departments to build the City's capacity for implementing economic development projects, we anticipate the need for short-term professional services and third-party technical review of proposed real estate and economic development projects. Accordingly, AMSP released a Request for Qualifications (RFQ) in February 2014 to develop a list of pre-qualified consultants in five service areas related to strategic planning for asset management and economic development, including:

1. Real Estate Services and Brokerage
2. Project Feasibility and Underwriting
3. Economic Development Analysis
4. Community Outreach
5. Master Planning and Site Planning

A detailed list of the services included within each of the five service areas is provided in Attachment B – RFQ Service Areas.

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An evaluation team composed of City real-estate professionals reviewed and scored all RFQ responses. This report recommends that the firms deemed qualified by the evaluation panel be included on a list of prequalified consultants for a three-year term, with two one-year options to extend. On an as-needed basis, AMSP and other City departments engaged in asset management and economic development will be able to request competitive bids from the prequalified list to perform a specific scope of work. Bids selected by the City as the most responsive and cost-effective will result in consultant contracts to provide services.

Authority and funding to contract with consultants to support AMSP efforts was approved in the 2013-14 Budget and continued to the current budget. Other City departments may also contract with the pre-qualified firms with their own funds. Total compensation for all contracted services from prequalified firms is capped at \$5 million over the proposed term for the pre-qualified list.

## **RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor:

1. Approve the prequalified list of contractors identified through the Request for Qualifications (RFQ) (Attachment A – List of Prequalified Consultants) for three years plus two one-year extensions, in the categories enumerated in the RFQ (Attachment B – RFQ Service Areas);
2. Authorize the City Administrative Officer, or designee, to solicit bids from and execute contracts with prequalified firms on an as-needed basis, subject to compliance with the City's contracting policies, approval of the City Attorney as to form, and funding availability; and
3. Authorize the General Managers for departments working in economic development, or designees, to solicit bids from and execute contracts with prequalified firms on an as-needed basis, subject to compliance with the City's contracting policies, approval of the City Attorney as to form, and funding availability.

## **FISCAL IMPACT STATEMENT**

The recommendations have no further impact on the General Fund, as \$579,000 is currently available for these services. In addition, the prequalified list contracts will contain a Financial Liability Clause which limits the City's financial obligation to the amount approved by the Mayor and Council in the corresponding year's budget for such work, which is consistent with the City's Financial Policies. As such, the recommendations in this report comply with the City's Financial Policies as project funding will support project expenditures.

**BACKGROUND**

Request for Qualifications

The RFQ was issued on February 10, 2014. The RFQ was advertised to over 5,000 vendors through the City’s Business Assistance Virtual Network (BAVN: ID 19153), and notice was also sent to nearly 100 real estate, planning, and redevelopment firms that included Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), and all Other Business Enterprises (OBEs). A presubmittal conference was held on March 10, 2014, with 56 attendees. Firms also had the opportunity to submit questions about the scope of work and the City’s contracting compliance requirements via email. Answers to all submitted questions from the presubmittal conference and from subsequent emails were posted on March 19, 2014 for review by all proposing firms. The RFQ deadline was April 10, 2014, by which time AMSP received a total of 37 responses.

Evaluation of Responses

An evaluation panel comprised of representatives from the CAO, Economic and Workforce Development Department, Harbor Department, and the Housing and Community Investment Department individually reviewed and scored each of the Statements of Qualification (SOQs) for the first three service areas (Real Estate Brokerage, Project Feasibility, and Economic Development). A second evaluation panel, composed of the CAO, Planning Department, and Public Works Bureau of Engineering, separately reviewed the SOQs for the last two service areas (Community Engagement and Master/Site Planning). The evaluation panels then each convened to discuss the responses and collate scores. Respondents with an average score of 70 or above were deemed qualified. Below is a summary of the number of proposals received as well as the evaluation results.

Service Area	Total Proposals Received	Total Qualified
1. Real Estate Services and Brokerage	21	11
2. Project Feasibility and Underwriting	23	18
3. Economic Development Analysis	22	16
4. Community Outreach and Engagement	10	6
5. Master Planning and Site Planning	12	7

The recommended list of prequalified firms was posted on BAVN and distributed to all responding firms on July 18, 2014. Upon request, AMSP staff was available to provide feedback to firms with questions about the evaluation and scoring of the SOQs. To date, two firms have requested debriefing sessions.

Of the 32 firms selected as prequalified for one or more service areas, four (4) are certified as MBEs, three (3) are certified as WBEs, four (4) are certified as Disadvantaged Business Enterprises (DBEs), four (4) are certified as Local Business Enterprises (LBEs), and three (3) are certified as Small Local Business Enterprises (SLBs).

Charter Section 1022 Determination

In accordance with Charter Section 1022, the Personnel Department determined that there are civil service classifications that could potentially provide some of the services proposed for contracting. After notifying all City departments of the intent to contract, the CAO determined that the work can be performed more feasibly by contractors than by City employees because contractors can provide technical expertise that is not sufficiently available in the City's workforce, and can perform third-party analysis of proposed economic development programs and real estate transactions, and because departments reported that there was insufficient capacity to perform the proposed services. For services that may be feasibly provided by the Department of General Services, including title report search, brokerage, and appraisal services – requesting departments will consult with GSD regarding availability of staff before requesting bids from the Prequalified List.

Bidding and Contracting

This Office requests that City Council approve the qualified list (Attachment A – List of Prequalified Consultants) with prequalified consultants in the five (5) service areas. The prequalified list will be effective for a three-year initial term, with two one-year optional extensions with Council approval. Bids from firms on the prequalified list will be requested for specific assignment scopes on an as-needed basis. For each scope of work, bids will be requested from at least five (5) of the pre-qualified firms. The winning bidder, selected by the City as being the most responsive and cost-effective, would be awarded a contract for each specified assignment.

All firms selected for the prequalified list are expected to comply with the City's insurance requirements, and also to comply with applicable City Policies.

In the future, this Office may wish to release a subsequent RFQ to augment the list of prequalified firms or expand the scope of services. Any such proposed additions to the list of prequalified firms would be submitted for Council approval.

by:

  
for Josh Rohmer, Principal Project Coordinator

APPROVED:

Assistant City Administrative Officer

MAS:JR:5150009

### LIST OF PREQUALIFIED CONSULTANTS

After evaluation and scoring by panels of City real estate and economic development professionals of Statements of Qualification submitted in response to the RFQ, the following firms were deemed prequalified.

#### ***Service Area 1: Real Estate Services and Brokerage***

AECOM
BAE Urban Economics
CBRE
Cresa Los Angeles
Cushman & Wakefield
Economic & Planning Systems, Inc.
HR&A Advisors
Jones Lang LaSalle Americas, Inc.
Kosmont Companies
Overland, Pacific & Cutler
Tierra West Advisors

#### ***Service Area 2: Project Feasibility and Underwriting***

AECOM
BAE Urban Economics
CBRE
CED Capital Strategies
Cushman & Wakefield
David Paul Rosen & Associates
Economic & Planning Systems, Inc.
Estolano LeSar Perez Advisors, LLC.
HR&A Advisors
Jones Lang LaSalle Americas, Inc.
Keyser Marston Associates
Kosmont Companies
RCLCO (Robert Charles Lesser & Co.)
RSG (Rosenow Spevacek Group, Inc.)
The Concord Group
The Natelson Dale Group, Inc.
The Sotelo Group
Tierra West Advisors

#### ***Service Area 3: Economic Development Analysis***

AECOM
BAE Urban Economics
Economic & Planning Systems, Inc.
Economic Development Results, LLC.
Estolano LeSar Perez Advisors, LLC.
HR&A Advisors
Jones Lang LaSalle Americas, Inc.
Keyser Marston Associates
Kosmont Companies
Los Angeles County Economic Development Corp. Development Corp.
Placeworks
Rodino Associates
RSG (Rosenow Spevacek Group, Inc.)
Stanley R. Hoffman Associates
The Natelson Dale Group, Inc.
Tierra West Advisors

#### ***Service Area 4: Community Outreach and Engagement***

Community Change Partners
Economic Development Results, LLC.
Estolano LeSar Perez Advisors, LLC.
Gensler
Placeworks
Urban Design Center

#### ***Service Area 5: Master Planning and Site Planning***

AECOM
Gensler
Gruen Associates
Moore Ruble Yudell Architects & Planners
Placeworks
Suisman Urban Design
SWA Group, Inc.

## RFQ SERVICE AREAS

The RFQ was developed to prequalify firms in each of the following service areas: 1) Real Estate Services and Brokerage, 2) Project Feasibility and Underwriting, 3) Economic Development, 4) Community Outreach, and 5) Master Planning and Site Planning, as described in more detail below.

### **1. Real Estate Services and Brokerage**

- Preparation of Real Property Appraisals and Broker Opinions of Value
- Brokerage and marketing for City-controlled properties (including leases)
- Title Report search
- Market and feasibility analysis, market research
- Commercial and Industrial surplus/leakage analysis
- Advise on marketing strategies to solicit tenants and lease structuring for City-owned properties
- Space planning and demising recommendations for City properties
- Provide financial advice regarding structuring of City leases
- Preparation of Requests for Proposal, Requests for Qualifications, or other solicitations for development proposals
- Other related services as may be identified

### **2. Project Feasibility and Underwriting**

- Pro forma analysis and underwriting for real estate development including: commercial, industrial, multi-family and affordable housing, municipal facilities, and mixed-use
- Public/private deal structuring, including alternative financing options, and assessment of equity participation
- Analysis for public/private partnerships, potentially to include developments on ground-leased City property, lease-leaseback transactions, and alternative ownership positions
- Cash flow projection and analysis, including preparation of discounted cash flow analysis for development projects
- Site- and/or development-specific revenue analysis and projections including, but not limited to, property, business, sales, utility, possessory interest, and transient occupancy taxes
- Financial feasibility analysis
- Land and project valuations
- Fiscal impact analysis
- Residual land value analysis
- Fair reuse value analysis
- Evaluation of proposed TFAR transactions and associated community benefits agreements
- Ground lease structuring
- Assistance in developer negotiations
- Other related services as may be identified

**3. Economic Development Analysis**

- Economic development analysis and strategies for commercial and industrial land use
- Strategies for community revitalization
- GIS mapping services
- Sector-based strategies for economic development
- Development of business incubation strategies and programs
- Business district strategies and programs for business retention, expansion, and attraction
- Other related services as may be identified

**4. Community Outreach and Engagement**

- Organize and conduct community outreach meetings
- Prepare and distribute outreach materials
- Prepare and administer outreach and/or survey instruments
- Other related services as may be identified

**5. Master Planning and Site Planning**

- Master planning for City-owned properties
- Site planning and development feasibility
- Structural analysis of existing City buildings, with respect to capacity for re-use or rehabilitation
- Parking analysis regarding demand, supply, and strategies for optimization
- Evaluation of environmental and hazardous materials in existing buildings, and preliminary budgeting for remediation
- Other related services as may be identified