

0220-04736-0006

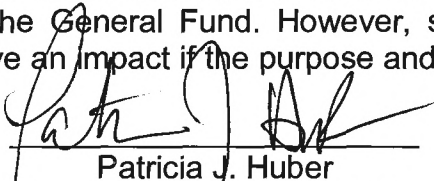
TRANSMITTAL

TO Council	DATE 01-31-17	COUNCIL FILE NO. 12-1549
FROM Municipal Facilities Committee		COUNCIL DISTRICT All

At its meeting of January 26, 2017, the Municipal Facilities Committee approved recommendations in the attached City Administrative Officer (CAO) report and instructed staff to transmit to Council for consideration.

Council approval of the report recommendations would establish an updated List of Pre-Qualified Real Estate Consultants augmented through the September 22, 2016 Supplemental RFQ, extend the term from June 24, 2017 through June 23, 2019, with no remaining extension options, authorize the CAO and General Managers of departments working in economic development to solicit bids from and execute contracts with pre-qualified firms.

Fiscal Impact Statement: Approval of the recommendations in this report are not anticipated to have an immediate impact on the General Fund. However, selection and use of any of the services provided could likely have an impact if the purpose and funding are not already included in the City's Adopted Budget.


Patricia J. Huber
Acting City Administrative Officer
Chair, Municipal Facilities Committee

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: January 24, 2017

CAO File No. 0220-04736-0006

Council File No. 12-1549

Council District: All

To: Municipal Facilities Committee

From: Patricia J. Huber, Acting City Administrative Officer



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

Subject: **REQUEST TO EXECUTE THE EXTENSION OPTIONS AND TO AUGMENT THE LIST OF PRE-QUALIFIED CONSULTANT PANEL OF REAL ESTATE AND ECONOMIC DEVELOPMENT PROFESSIONALS PERFORMING ASSET MANAGEMENT AND ECONOMIC DEVELOPMENT SERVICES**

RECOMMENDATIONS

It is recommended that the Municipal Facilities Committee:

1. Approve the updated List of Pre-Qualified Real Estate and Economic Development Consultants (Attachment A) augmented through the September 22, 2016 Supplemental Request for Qualifications for two additional years and extend the term from June 24, 2017 through June 23, 2019, with no remaining extension options;
2. Authorize the City Administrative Officer, or designee, to solicit bids 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 of 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.

BACKGROUND

On February 19, 2014, the Office of the City Administrative Officer (CAO) released a Request for Qualifications (RFQ) to establish the first CAO pre-qualified list for real estate services for asset management strategic planning within five service areas. On October 29, 2014, the City Council adopted the pre-qualified list of 32 firms and individuals (C.F. 12-1549) for a three-year term with two one-year extension options. The term was approved retroactively to June 24, 2014 with an expiration date of June 23, 2017. Since establishment of the pre-qualified list, the City has benefited from using the expedited process and in collaboration with other City departments, have executed more than 25 contracts with firms from the list.

On September 22, 2016, as was authorized in the report approving the initial list, the CAO released a Supplemental RFQ to address two issues: 1) outdated firm information and declining responses for the real estate and brokerage services area, and 2) the need to separate and highlight a sixth service area, Project Management (Attachment B).

The service areas within the Supplemental RFQ are as follows:

- (1) Real Estate Services and Brokerage
- (2) Project Feasibility and Underwriting
- (3) Economic Development Analysis
- (4) Community Outreach
- (5) Master Planning and Site Planning
- (6) Project Management

Supplemental Request for Qualifications

The Supplemental RFQ was issued on September 22, 2016 with a due date of November 17, 2016. A pre-submittal conference was held on October 20, 2016, with 27 attendees. All questions and answers related to the process and from the pre-submittal conference were posted by October 31, 2016 for review by all proposing firms on the City’s Business Assistance Virtual Network (BAVN). The CAO received responses from a total of 27 firms and individuals interested in the six service areas.

Evaluation of Responses

The CAO convened an evaluation panel comprised of representatives from the CAO, Economic and Workforce Development Department (EWDD), Department of General Services (GSD), Housing and Community Investment Department (HCID), and Los Angeles County Metropolitan Transportation (MTA) to review and score each of the Statement of Qualifications (SOQs) for the six services areas. The evaluation panel conducted its work during December 2016 and January 2017. Respondents with an average score of 70 or above per service area were deemed qualified. Of the 27 firms that submitted proposals, 24 are recommended for prequalification. Five of these firms were already on the list in other service areas. There were three firms that failed to receive the minimum of 70 or to qualify for any service area. The table below reflects the number of pre-qualified firms per service area from the initial list, the number of proposals received, and the total proposed number of firms recommended by the evaluation panel for each service area on the augmented list.

Service Area	Initial RFQ List 2/19/14	Supplemental RFQ 9/22/16*	Total Proposed Augmented List
1) Real Estate Services and Brokerage	11	14	25
2) Project Feasibility and Underwriting	18	4	22
3) Economic Development Analysis	17	3	20
4) Community Outreach and Engagement	6	5	11
5) Master Planning and Site Planning	7	5	12
6) Project Management	-	8	8
Total All Service Areas	59	39	98

Once the list has been approved, CAO staff will be available upon request, to provide feedback to firms with questions about the evaluation and scoring of the SOQs.

Charter Section 1022 Determination

Prior to the release of the initial RFQ, 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.

Requesting departments have and will continue to consult with GSD regarding availability of staff before requesting bids from the pre-qualified list, as has been the practice for the duration of this list so far with regard to services that may be feasibly provided by GSD staff, including title report search, brokerage, and appraisal services.

Bidding and Contracting

Bids from firms on the pre-qualified 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 eight of the pre-qualified firms. The winning bidder, selected by the City as being the most responsive and cost-effective, will be awarded a contract for each specified assignment.

All firms selected for the augmented pre-qualified list are expected to comply with the City's insurance requirements and with applicable City Policies.

The pre-qualified list is available for all City departments to utilize for real estate and economic development needs. In the future, this Office may again wish to release another supplemental RFQ to augment the list of pre-qualified firms or expand the scope of services. Any such proposed additions to the list of pre-qualified firms would be submitted to the Municipal Facilities Committee for approval.

FISCAL IMPACT STATEMENT

Approval of the recommendations in this report are not anticipated to have an immediate impact on the General Fund. However, selection and use of any of the services provided could likely have an impact if the purpose and funding are not already included in the City's Adopted Budget. The recommendations in this report comply with the City's Financial Policies as project funding will support project expenditures.

PJH:JVW:BA:15170043

Attachment A – List of Augmented Pre-Qualified Consultants

Attachment B – List of Augmented Service Areas

LIST OF PREQUALIFIED REAL ESTATE 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. The asterisk (*) denotes new firms and/or additions to service areas proposed through the Supplemental RFQ.

Service Area 1: Real Estate Services and Brokerage

- AECOM
- BAE Urban Economics
- *BTI Appraisal
- *Carthay Group
- CBRE
- Cresa Los Angeles
- Cushman & Wakefield
- Economic & Planning Systems, Inc.
- *Epic Land Solutions
- *Estolano LeSar Perez Advisors LLC
- HR&A Advisors
- *Integra Realty Resources
- *Johnson Consulting
- Jones Lang LaSalle Americas, Inc.
- *Keyser Marston Associates
- Kosmont Companies
- *KPMG
- *Newmark Grubb Knight Frank
- *Norris Realty Advisors
- Overland, Pacific & Cutler
- *RSG (Rosenow Spevacek Group, Inc.)
- *Savills Studley
- *The Concourse Group
- Tierra West Advisors
- *WSP/Parsons Brinckerhoff

Service Area 2: Project Feasibility and Underwriting

- AECOM
- *ARUP
- 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
- *Johnson Consulting
- Jones Lang LaSalle Americas, Inc.
- Keyser Marston Associates
- Kosmont Companies
- *KPMG
- RCLCO (Robert Charles Lesser & Co.)
- RSG (Rosenow Spevacek Group, Inc.)
- The Concord Group
- The Natelson Dale Group, Inc.
- The Sotelo Group
- Tierra West Advisors
- *WSP/Parsons Brinckerhoff

Service Area 3: Economic Development Analysis

- AECOM
- *ARUP
- BAE Urban Economics
- *Boston Consulting Group, Inc.
- 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
- LA County Economic Development Corp
- *Newmark Grubb Knight Frank
- Placeworks
- Rodino Associates
- RSG (Rosenow Spevacek Group, Inc.)
- The Natelson Dale Group, Inc.
- Tierra West Advisors

Service Area 4: Community Outreach and Engagement

- *Boston Consulting Group, Inc.
- Community Change Partners
- Economic Development Results, LLC
- Estolano LeSar Perez Advisors, LLC
- *Evitarus
- Gensler
- *Lee Andrews Group
- Placeworks
- *Tierra West Advisors
- Urban Design Center
- *WSP/Parsons Brinckerhoff

Service Area 5: Master Planning and Site Planning

- AECOM
- *ARUP
- *FSY Architects
- Gensler
- Gruen Associates
- *HKS Architects
- *IBI Group
- Moore Ruble Yudell Architects & Planners
- Placeworks
- Suisman Urban Design
- SWA Group, Inc.
- *WSP/Parsons Brinckerhoff

Service Area 6: Project Management

- *ARUP
- *Boston Consulting Group, Inc.
- *Estolano LeSar Perez Advisors LLC
- *HR&A Advisors
- *Savills Studley
- *The Concourse Group
- *Vanir Construction Management
- *WSP/Parsons Brinckerhoff

PREQUALIFIED REAL ESTATE CONSULTANT SERVICES AREAS

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

- Land and project valuations
- Residual land value analysis
- Fair reuse value analysis
- Evaluation of proposed TFAR transactions and associated community benefits agreements
- 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
- Fiscal impact analysis
- 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

6. Project Management

- Project negotiation/project management services for development projects
- Master planning for City-owned properties
- Plan, coordinate and provide general and technical oversight of all project components
- Formulate, implement and administrate project budget including securing and identifying funding
- Site planning and development feasibility
- Other related services as may be identified