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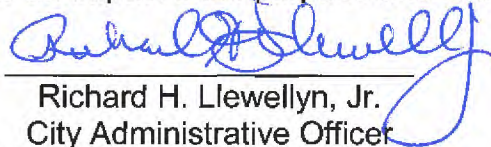
**TRANSMITTAL**

TO Council	DATE 04-20-18	COUNCIL FILE NO. 12-1549
FROM Municipal Facilities Committee	COUNCIL DISTRICT All	

At its special meeting of April 17, 2018, 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 January 31, 2018 Supplemental RFQ and 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.



Richard H. Llewellyn, Jr.  
City Administrative Officer  
Chair, Municipal Facilities Committee

RHL:JVV:BA:15180082

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: April 13, 2018

CAO File No. 0220-04736-0006

Council File No. 12-1549

Council District: All

To: Municipal Facilities Committee

From: Richard H. Llewellyn, Jr., City Administrative Officer

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

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

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### 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 January 31, 2018 Supplemental Request for Qualifications with a term ending June 23, 2019, with no remaining extensions;
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 a 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 of the approved list had an expiration date of June 23, 2017 with two one-year extension options.

On September 22, 2016, the CAO released a First 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). On February 24, 2017, the Council approved the augmented list with 24 additional firms and extended the term of the list through June 23, 2019.

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.

**Second Supplemental Request for Qualifications**

The Second Supplemental RFQ was issued on January 31, 2018 with a due date of March 2, 2018. A pre-submittal conference was held on February 20, 2018, with 20 attendees. All questions and answers related to the process and from the pre-submittal conference were posted by February 26, 2018 for review by all proposing firms on the City's Business Assistance Virtual Network (BAVN). The CAO received responses from a total of 13 firms and individuals interested in the six service areas.

**Evaluation of Responses**

The CAO convened an evaluation panel comprised of representatives from the CAO, Chief Legislative Analyst (CLA), and Department of General Services (GSD) to review and score each of the Statement of Qualifications (SOQs) for the six services areas. Respondents with an average score of 70 or above per service area were deemed qualified. Of the 13 firms that submitted proposals, 10 are recommended for prequalification in a combined 18 service areas. One of the 13 firms was already on the list in another service area. There were two firms that failed to receive a minimum score to qualify for any service area and one firm that was deemed non-responsive. The table below reflects the number of pre-qualified firms per service area from the initial list, first supplemental RFQ, the number of proposals received for the second supplemental RFQ, 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 02/19/14	First Supplemental RFQ 09/22/16	Second Supplemental RFQ 01/31/18	Total Proposed Augmented List
1) Real Estate Services and Brokerage	11	14	3	28
2) Project Feasibility and Underwriting	18	4	4	26
3) Economic Development Analysis	17	3	3	23
4) Community Outreach and Engagement	6	5	1	12
5) Master Planning and Site Planning	7	5	1	13
6) Project Management	-	8	6	14
<b>Total All Service Areas</b>	<b>59</b>	<b>39</b>	<b>18</b>	<b>116</b>

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. 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. Following the expiration of this pre-qualified list, this Office may wish to release an RFQ to establish a new list of pre-qualified firms. Any such action to establish a list of pre-qualified firms would be submitted to the Municipal Facilities Committee and subsequently Council 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.

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Attachment A – List of Augmented Pre-Qualified Consultants  
Attachment B – List of 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	Service Area 2: Project Feasibility	Service Area 3: Economic Development Analysis
AECOM	AECOM	AECOM
BAE Urban Economics	ARUP	ARUP
BTI Appraisal	BAE Urban Economics	BAE Urban Economics
Carthay Group	*BuroHappold	Boston Consulting Group, Inc.
CBRE	CBRE	*BuroHappold
The Concourse Group	CED Capital Strategies	Economic & Planning Systems, Inc.
Cresa Los Angeles	*Century Urban	Economic Development Results, LLC.
Cushman & Wakefield	Cushman & Wakefield	*Ernst and Young
Economic & Planning Systems, Inc.	David Paul Rosen & Associates	Estolano LeSar Perez Advisors, LLC
Epic Land Solutions	Economic & Planning Systems, Inc.	HR&A Advisors
*Ernst and Young	*Ernst and Young	Jones Lang LaSalle Americas, Inc.
Estolano LeSar Perez Advisors, LLC.	Estolano LeSar Perez Advisors, LLC.	Keyser Marston Associates
HR&A Advisors	HR&A Advisors	Kosmont Companies
Integra Realty Resources	Johnson Consulting	LA County Economic Development Corp
Johnson Consulting	Jones Lang LaSalle Americas, Inc.	Newmark Grubb Knight Frank
Jones Lang LaSalle Americas, Inc.	Keyser Marston Associates	Placeworks
Keyser Marston Associates	Kosmont Companies	*RCLCO
Kosmont Companies	KPMG	Rodino Associates
KPMG	*The Maxima Group	RSG
*The Maxima Group	RCLCO	The Natelson Dale Group, Inc.
Newmark Grubb Knight Frank	RSG	Tierra West Advisors
Norris Realty Advisors	The Concord Group	
Overland, Pacific & Cutler	The Natelson Dale Group, Inc.	
*RCLCO (Robert Charles Lesser & Co.)	The Sotelo Group	
RSG (Rosenow Spevacek Group, Inc.)	Tierra West Advisors	
Savills Studley	WSP/Parsons Brinckerhoff	
Tierra West Advisors		
WSP/Parsons Brinckerhoff		

Service Area 4: Community Outreach and Engagement	Service Area 5: Master Planning and Site Planning	Service Area 6: Project Management
Boston Consulting Group, Inc.	AECOM	*Alvarez & Marsal
Community Change Partners	ARUP	ARUP
Economic Development Results, LLC	*BuroHappold	Boston Consulting Group, Inc.
Estolano LeSar Perez Advisors, LLC	FSY Architects	*BuroHappold
Evitarus	Gensler	The Concourse Group
Gensler	Gruen Associates	*Ernst & Young
*KP&A	HKS Architects	Estolano LeSar Perez Advisors, LLC
Lee Andrews Group	IBI Group	HR&A Advisors
Placeworks	Moore Ruble Yudell Architects & Planners	*JOA
Tierra West Advisors	Placeworks	*MGAC
Urban Design Center	Suisman Urban Design	*Nassal ACM
WSP/Parsons Brinckerhoff	SWA Group, Inc.	Savills Studley
	WSP/Parsons Brinckerhoff	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