

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE0220-05565-0004
Council District: All

Date: May 31, 2019

To: Los Angeles City Council

From: Richard H. Llewellyn, Jr., City Administrative Officer
Chair, Municipal Facilities CommitteeSubject: **TRANSMITTAL – REQUEST FOR APPROVAL TO RE-ESTABLISH THE PRE-QUALIFIED CONSULTANTS PANEL OF REAL ESTATE AND ECONOMIC DEVELOPMENT PROFESSIONALS PERFORMING ASSET MANAGEMENT PLANNING AND ECONOMIC DEVELOPMENT SERVICES****SUMMARY**

At its regular meeting on May 30, 2019, the Municipal Facilities Committee (MFC) considered the attached report from the Office of the City Administrative Officer (CAO), and instructed staff to transmit to Council for approval. The MFC concurred with the recommendations outlined in the report, with a technical amendment to Recommendation 4. The amended recommendation requires any future augmentation of the list be submit to the MFC and Council for approval.

RECOMMENDATIONS

It is recommended that the City Council:

1. Approve the List of Pre-Qualified Real Estate and Economic Development Consultants (Attachment A) identified though the April 1, 2019 Request for Qualifications (RFQ) for three years plus two one-year extensions, and the List of Pre-Qualified Real Estate Consultant Service Areas (Attachment B) enumerated in the RFQ;
2. Authorize the City Administrative Officer (CAO), or designee, to solicit bids from and execute contracts with pre-qualified 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;
3. Authorize the General Managers for departments working in asset management and economic development, or designees, to solicit bids from and execute contracts with pre-qualified 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;
4. Authorize the CAO to augment the list as needed by issuing interim solicitations within the term of the list and to report on those updates to the Municipal Facilities Committee and City Council; and
5. Authorize the CAO to make technical corrections, as necessary.

FISCAL IMPACT

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.

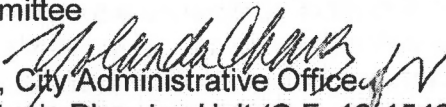
REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 24, 2019

CAO File No. 0220-05565-0003
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 FOR APPROVAL TO RE-ESTABLISH THE PRE-QUALIFIED CONSULTANTS PANEL OF REAL ESTATE AND ECONOMIC DEVELOPMENT PROFESSIONALS PERFORMING ASSET MANAGEMENT PLANNING AND ECONOMIC DEVELOPMENT SERVICES**

RECOMMENDATIONS

That the Municipal Facilities Committee:

1. Approve the List of Pre-Qualified Real Estate and Economic Development Consultants (Attachment A) identified through the April 1, 2019 Request for Qualifications (RFQ) for three years plus two one-year extensions, and the List of Pre-Qualified Real Estate Consultant Service Areas (Attachment B) enumerated in the RFQ;
2. Authorize the City Administrative Officer (CAO), or designee, to solicit bids from and execute contracts with pre-qualified 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;
3. Authorize the General Managers for departments working in asset management and economic development, or designees, to solicit bids from and execute contracts with pre-qualified 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;
4. Authorize the CAO to augment the list as needed by issuing interim solicitations within the term of the list and to report on those updates to the Municipal Facilities Committee; and
5. Authorize the CAO to make technical corrections, as necessary.

SUMMARY

On March 28, 2019, the Municipal Facilities Committee (MFC) authorized the Office of the City Administrative Officer (CAO) to issue a request for qualifications to re-establish the pre-qualified list of real estate and economic development consultants performing services for asset management

planning and economic development for a three-year term, with two one-year extension options. The request was authorized with an abbreviated timeline because the current pre-qualified list, approved by Council in 2014, is set to expire June 23, 2019 (C.F. 12-1549) and the MFC wanted to ensure against any lapse in the availability of a qualified bench of consultants. Council approval is now required to establish the new list.

Request for Qualifications

The CAO released its RFQ on April 1, 2019 via the City’s Business Assistance Virtual Network (BAVN). A mandatory pre-submittal conference was held on April 16, 2019, with 100 attendees participating in-person and via conference call. All questions and answers related to the process and from the pre-submittal conference were posted by April 30, 2019 for review by all proposing firms on BAVN. The original RFQ deadline for submittals of May 9, 2019, was changed to May 15, 2019 to allow responders more time to complete the City’s business outreach and submit their statements of qualifications. The CAO received 97 Statements of Qualification (SOQs) from 36 firms interested in the five service areas listed in the table in the Evaluation section of the report.

Evaluation of Responses

The CAO convened evaluation panels comprised of representatives from the CAO, Office of the Chief Legislative Analyst (CLA), Economic and Workforce Development Department (EWDD), Department of General Services (GSD), Housing and Community Investment Department (HCID), and the Department of City Planning (DCP) to review and score the SOQs for the five services areas. The evaluation panels conducted this work after receipt of the SOQs during May 2019. Respondents with an average score of 70 or above per service area were deemed qualified. Of the 36 firms that submitted SOQs, all are recommended for pre-qualification. The complete list of pre-qualified firms is included with this report as Attachment A – List of Prequalified Real Estate and Economic Development Consultants. The table below summarizes the number of proposals received as well as the evaluation results.

Service Area	Total SOQs Received	Total Qualified
1. Real Estate Services and Brokerage	24	24
2. Project Feasibility, Underwriting and P3	26	26
3. Economic Development Analysis	19	19
4. Community Outreach and Engagement	7	7
5. Master Planning, Site Planning and Project Management	21	21
Total All Service Areas	97	97

Of the 36 firms selected as pre-qualified for one or more service areas, four are certified as Women Business Enterprises (WBEs) and five are certified as Minority Business Enterprises (MBEs). All 36 firms completed the specified Business Inclusion Program (BIP) outreach component of the RFQ but may be required to complete additional outreach as part of any subsequent solicitation for bids or proposals.

Charter Section 1022 Determination

In accordance with Charter Section 1022, the Personnel Department determined that there are civil service classifications that could potentially provide a few of the services proposed for contracting. The Personnel Department further determined, however, that due to the intermittent nature of the consulting services and the wide range of expertise required, that it would be difficult for City staff to perform the services.

Bidding and Contracting

The pre-qualified list will be effective for a three-year initial term, with two one-year extension options with Council approval and is available to all City departments to utilize for asset management planning and economic development needs. Authority and funding to contract with consultants for real estate and economic development purposes will be entirely dependent on Council and Mayoral approval of the respective department's budgets.

Departments may issue a request for bids, information, and/or proposals to firms on the pre-qualified list 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 department as being the most responsive and cost-effective, would be awarded a contract for each specified assignment.

All firms selected for the pre-qualified list are expected to comply with the City's insurance requirements, all applicable City Policies and may be required to do additional business inclusion outreach.

This Office will release subsequent Supplemental RFQs throughout the term in order 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 will be submitted to the Municipal Facilities Committee and the City 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.

Attachment A – List of Pre-Qualified Real Estate and Economic Development Consultants
Attachment B – List of Pre-Qualified Real Estate Consultant Service Areas

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LIST OF PRE-QUALIFIED REAL ESTATE AND ECONOMIC DEVELOPMENT CONSULTANTS

After evaluation and scoring by panels of City real estate and economic development professionals of Statements of Qualifications submitted in response to the CAO April 1, 2019 RFQ, the following firms were deemed prequalified.

Service Area 1: Real Estate Services and Brokerage	Service Area 2: Project Feasibility, Underwriting & Public/Private Partnerships	Service Area 3: Economic Development Analysis
AECOM	AECOM	AECOM
Alvarez & Marsal Public Sector Services	Alvarez & Marsal Public Sector Services	Alvarez & Marsal Public Sector Services
BAE Urban Economics	ARUP	ARUP
CBRE, Inc.	BAE Urban Economics	BAE Urban Economics
Colliers Int'l Valuation & Advisory Services	BuroHappold Engineering	BuroHappold Engineering
Cushman & Wakefield Western, Inc.	CBRE, Inc.	Economic & Planning Systems, Inc.
Economic & Planning Systems, Inc.	Cowley Real Estate Partners	Ernst & Young Infrastructure Advisors, LLC
Ernst & Young Infrastructure Advisors, LLC	Cushman & Wakefield Western, Inc.	Estolano LeSar Advisors
Estolano LeSar Advisors	Economic & Planning Systems, Inc.	Gensler
Guidehouse LLP	Ernst & Young Infrastructure Advisors, LLC	Guidehouse LLP
HR&A Advisors, Inc.	Estolano LeSar Advisors	HR&A Advisors, Inc.
Integra Realty Resources	Guidehouse LLP	Keyser Marston Associates, Inc.
Jones Lang LaSalle Americas, Inc.	HR&A Advisors, Inc.	Kosmont Companies
Keyser Marston Associates, Inc.	Jacobs Engineering Group, Inc.	Newmark Knight Frank
Kosmont Companies	Jones Lang LaSalle Americas, Inc.	PFM Financial Advisors LLC
KPMG LLP	Keyser Marston Associates, Inc.	PlaceWorks
Macy + Associates, Inc.	Kosmont Companies	RCLCO
Newmark Knight Frank	KPMG LLP	The Concord Group
Overland, Pacific & Cutler, LLC	Project Finance Advisory, Ltd.	Tierra West Advisors, Inc.
RCLCO	PFM Financial Advisors LLC	
The Concord Group	RCLCO	
The Concourse Group, LLC	The Concord Group	
The Maxima Group LLC	The Concourse Group, LLC	
Tierra West Advisors, Inc.	The Maxima Group LLC	
	Tierra West Advisors, Inc.	
	WT Partnership	
Service Area 4: Community Outreach and Engagement	Service Area 5: Master Planning, Site Planning, and Project Management	
AECOM	AECOM	
Estolano LeSar Advisors	BuroHappold Engineering	
Guidehouse LLP	CBRE, Inc.	
Jones Lang LaSalle Americas, Inc.	Cowley Real Estate Partners	
Lee Andrews Group	Cushman & Wakefield Western, Inc.	
PlaceWorks	Ernst & Young Infrastructure Advisors, LLC	
Tierra West Advisors, Inc.	Estolano LeSar Advisors	
	Gensler	
	Guidehouse LLP	
	HR&A Advisors, Inc.	
	IBI Group	
	Jacobs Engineering Group, Inc.	
	JOA Group	
	Jones Lang LaSalle Americas, Inc.	
	KPMG LLP	
	Newmark Knight Frank	
	Overland, Pacific & Cutler, LLC	
	PlaceWorks	
	The Concourse Group, LLC	
	Tierra West Advisors, Inc.	
	WT Partnership	

List of Pre-Qualified Real Estate Consultant Service 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
- Advice on marketing strategies to solicit tenants and lease structuring for City-owned properties
- Space planning and demising recommendations for City properties
- Financial advice regarding structuring of City leases
- Preparation of Requests for Proposal, Requests for Qualifications, or other solicitations for development proposals
- Relocation services
- Other related services as may be identified

2. Project Feasibility, Underwriting and Public/Private Partnerships

- Land and project valuations
- Residual land value analysis
- Fair reuse value analysis
- GIS mapping services
- 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
- Commercial and Industrial surplus/leakage 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 retail, 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 opinion survey or polling instruments
- Other related services as may be identified

5. Master Planning, Site Planning and Project Management

- 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
- Project negotiation/project management services for development projects
- Plan, coordinate and provide general and technical oversight of all project components
- Land surveys
- Other related services as may be identified