

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

Date: 9/16/14

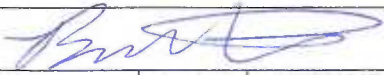
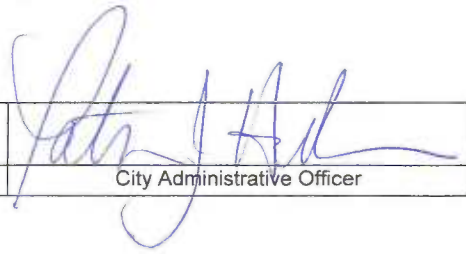
Submitted in Housing Committee
Council File No.: 13-0725
Item No.: 4

Report from the City Administrative Officer

To: The Mayor The Council	Date: 09-10-11	C.D. No. Citywide	CAO File No.: 0220-00540-1102
Contracting Department/Bureau: Housing and Community Investment Department		Contact: Thanh Doan, 213-808-8626 Mark Gandara, 213-808-8962	
Reference: Transmittal from HCID dated July 24, 2014			
Purpose of Contract: To provide real estate broker services			
Type of Contract: (x) New contract () Amendment		Contract Term Dates: One year from October 1, 2014 through September 30, 2015 with two one-year renewal options	
Contract/Amendment Amount: N/A			
Proposed amount \$ 0 + Prior award(s) \$ 0 = Total \$ 0			
Source of funds: Funding to be provided through a commission on the sale of each property			
Name of Contractor: Realty Advantage, Inc. aka Mel Wilson Altera and Comprehensive Real Estate Services/Fischer and Cal Pacific Properties			
Address: Mel Wilson and Associates 18860 Nordhoff Street, Suite #100 Northridge, CA 91324		Comprehensive Real Estate Services/Fischer 13681 Newport Avenue, Suite B #451 Tustin, CA 92780	Cal Pacific Properties 11280 Corbin Avenue, Unit A Porter Ranch, CA 91326
	Yes	No	N/A*
1. Council has approved the purpose	X		
2. Appropriated funds are available			X
3. Charter Section 1022 findings completed	X		
4. Proposals have been requested	X		
5. Risk Management review completed	X		
6. Standard Provisions for City Contracts included	X		
7. Workforce that resides in the City: %			
*N/A = not applicable ** Contracts over \$100,000			

COMMENTS

The General Manager of the Housing and Community Investment Department (HCID) requests approval and authorization to execute contracts with Realty Advantage, Inc. dba Mel Wilson Altera, Comprehensive Real Estate Services/Fischer, and Cal Pacific Properties to provide real estate broker services based on the results of a Request for Proposals (RFP) which was authorized by Council in August 2013 (C.F. 13-0725). The contracts will be initially executed for twelve (12) months, from October 1, 2014 through September 30, 2015, with the option to exercise a maximum of two additional one-year extensions. The awarding of extensions for these contracts will be subject to satisfactory contractor performance. Funding for the real estate broker services will be provided through a commission on the sale of each property. This office recommends, with agreement from HCID, that contracts be awarded to three proposers (Mel Wilson Altera, Comprehensive Real Estate Services/Fischer, and Cal Pacific Properties) as they all scored above the threshold of 70 deeming them qualified. HCID states that funds may be split among more than one brokerage firm; however the City does not guarantee that all available funds will be expended.

	Analyst	021500007C	Assistant CAO		City Administrative Officer
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Real Estate Broker Services

The HCID currently manages a small portfolio of approximately ten Real Estate Owned (REO) properties. In addition, approximately 30 developable properties were transferred to HCID from the former Los Angeles Community Redevelopment Agency (CRA/LA). The properties consist of single family homes, small apartment buildings, vacant lots, and abandoned industrial and commercial sites.

The HCID staff will work with affected Council offices to determine if some of these properties may be used for affordable housing. The Department states that some of the sites may be made available for public purchase which will require the services of a real estate broker.

In accordance with Charter Section 1022, the Personnel Department determined that existing City employees could perform the work for contracting. These positions include: Real Estate Associate, Real Estate Officer, Senior Real Estate Office, and Property Manager. The Personnel Department found that while the City does have the staff to perform real estate broker services, the work assignment exceeds available staffing. This Office finds that contracting for these services is more feasible than hiring City staff because real estate brokerage work is of an intermittent nature.

Real Estate Broker RFP

On November 14, 2013, HCID released an RFP for Real Estate Broker and Property Management Services. Questions regarding the RFP were submitted to HCID via email and fax, with the responses posted on the City’s Los Angeles Business Assistance Virtual Network (LABAVN) website to ensure transparency and fairness to all bidders. LABAVN automatically notified 30 registered real estate-related contractors via an email regarding the RFP. The RFP was advertised via the Department of Neighborhood Empowerment’s weekly email newsletter that has a circulation of 17,000 readers. In response to the RFP, there was a Bidder’s Conference held on November 26, 2013. From the 23 interested parties represented, four proposals from four companies were accepted.

The proposals underwent a threshold review by HCID staff to determine if they met the basic requirements listed in the RFP. One proposal was found to be incomplete and deemed ineligible; therefore, the three remaining proposals were forwarded for scoring. All proposals were reviewed by an experienced panel of HCID staff members with personnel classifications that included Management Analyst II and Financial Development Officer. A proposal was considered qualified if it received a score of 70 points or greater. The table below summarizes the evaluation and scoring criteria used to evaluate each proposal.

Evaluation Criteria	Max Points
Demonstrated Ability – Adequacy of the plan, strategies and approach to undertake the work as described in the scope of services	20
Capacity/Qualifications – The quality and depth of the proposer’s experience, background and qualifications and that of the assigned personnel as it relates to the required services.	40
Work Quality/Design – Quality and creativity of program concepts and strategy. The ability of the proposer to produce work and related deliverables on time that thoroughly addresses the requirement of the scope of services.	20
Cost/Budget – Proposed budget, allocation of costs, and use of available resources to maximize the effectiveness of the bidder in response to service needs.	20
TOTAL POINTS	100

The scores are identified in the table below. To streamline the contract process, a draft contract is being provided (Attachment B), with standard provisions that will be included in all recommended contracts. Proposers were informed of their final scores on February 28, 2014 and were advised to appeal the results by March 7, 2014. There were no appeals submitted in compliance with the terms of the RFP.

Real Estate Broker

Company	Average Score	Contract Funding
Realty Advantage, Inc. dba Mel Wilson & Associates	83	n/a
Comprehensive Real Estate Services/Fischer	79	n/a
Cal Pacific Properties dba Coldwell Banker	73.7	n/a

RECOMMENDATION

That the Council, subject to the approval of the Mayor, authorize the General Manager, Housing and Community Investment Department (HCID), or designee, to execute contracts in substantial conformance with the draft contract included as an attachment to the Department's transmittal dated July 24, 2014 with Realty Advantage, Inc., Comprehensive Real Estate Services and Cal Pacific Properties for real estate broker services on an as-needed basis, for a term of one year from October 1, 2014 through September 30, 2015, with the option to renew for two additional one-year terms, subject to the review and approval of the City Attorney as to form, compliance with the City's contracting requirements, satisfactory contractor performance, and ongoing need.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Funding for the proposed contracts with Realty Advantage, Inc., Comprehensive Real Estate Services and Cal Pacific Properties will be paid through a commission from the sale of properties.