

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 19, 2015

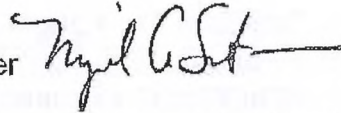
CAO File No. 0150-10388-0000

Council File No. --

Council District: --

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Communication from the Department of Water and Power dated March 31, 2015; referred by the Mayor for report on April 9, 2015

Subject: **AMENDMENT 1 TO AGREEMENT 47128 FOR QUALIFIED REAL AND PERSONAL PROPERTY APPRAISERS ENABLING AGREEMENTS**

SUMMARY

The Department of Water and Power (DWP; Department) requests approval of a proposed resolution authorizing the execution of the First Amendment to Agreement 47128 (Agreement) for an additional 30 months to July 24, 2018, and increase the expenditure limit by up to \$1,025,000 for a revised total of \$5,655,000. The Amendment to this Agreement will provide the continuity of 24 qualified real estate and personal property appraisers for the completion of property acquisition associated with the Barren Ridge Renewable Transmission Project (BR RTP) and River Supply Conduit - Station 7 (RSC-7) project. This Agreement was competitively bid to establish the list of 24 qualified appraisers assigned to 700 properties being acquired for the two projects.

Many of the properties being acquired for these projects are either in or anticipated to be in litigation pertaining to eminent domain proceedings. The requested additional time on the Agreement and added funding is based on appraisal expenditures to date and projected appraisal costs based on current court proceedings and schedules.

The proposed Amendment ensures the 24 contracted appraisers who originally appraised these properties are retained for continuity in the litigation associated with eminent domain proceedings. The use of different appraisers would increase the cost of litigation, as new appraisers would require additional time to review the original appraisals and become familiar with the properties. The number of properties proceeding to eminent domain could not have been determined until the completion of the original appraisal, purchase offer and negotiation period.

Currently, the Department has one Certified General Real Estate Appraiser on staff. The need for additional appraisers led to the Department's Request for Qualifications (RFQ) for Appraisal Services, which was approved by the Board of Water and Power Commissioners on October 4, 2011. The list of 24 qualified appraisers (Resolution 012-262) was competitively developed from

responses to the RFQ. The list of appraisers was converted to enabling agreements with each of the 24 qualified appraisers on the list. The enabling agreements reduce labor requirements and expedite the award process with the contract administrator issuing task awards as opposed to the Department's Supply Chain Services Division (SCS) issuing purchase orders.

TIME LIMIT FOR COUNCIL ACTION

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," unless the Council takes action disapproving a contract that is longer than three years within 60 days after submission to Council, the contract shall be deemed approved.

The City Attorney has reviewed and approved the proposed resolution as to form and legality.

RECOMMENDATIONS

That the Mayor:

1. Approve the proposed resolution authorizing the execution of Amendment 1 to Agreement 47128 for qualified real property and personal property appraisers enabling agreements to extend the contract duration by 30 months, from January 24, 2016 to July 24, 2018, pursuant to Charter Section 373; and
2. Return the proposed resolution to the Department for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

Approval of the proposed resolution does not result in a fiscal impact. Funding for this agreement was previously approved by the Board of Water and Power Commissioners and included in the DWP Power System Capital Budget as part of the Multi-Year Expenditure Plan. The proposed agreement complies with the Department's adopted Financial Policies. There is no impact to the City's General Fund.

MAS:MCD:06150125

Attachments