

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: January 25, 2022

CAO File No. 0220-05565-0005

Council File No. 12-1549

Council District: All

To: The Municipal Facilities Committee

From: CAO Asset Management Group

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

RECOMMENDATIONS

That the Municipal Facilities Committee (MFC):

1. Authorize the City Administrative Officer (CAO) to issue a supplemental Request for Qualifications (RFQ) to augment the List of Pre-Qualified Consultant Panel of Real Estate and Economic Development Professionals Performing services for asset management planning and economic development; and
2. Direct the CAO to report on the results of the supplemental RFQ with the proposed augmented list for consideration by the Municipal Facilities Committee (MFC) and City Council.

SUMMARY

On June 25, 2019, the City Council adopted a CAO report establishing the second CAO-administered List of Pre-Qualified Consultant Panel of Real Estate and Economic Development Professionals (CAO List). Council approved the list for a three-year term with two one-year extension options ([C.F. 12-1549](#)). The CAO was further authorized 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 (MFC) and Council.

The CAO has augmented the first pre-qualified list twice, in 2017 and 2018, to add expertise and expand service areas. Largely due to the pandemic and staffing issues, however, the CAO has not had opportunity to update the qualified list or exercise the extension options. To ensure that the City is utilizing the most current and expert consultants, this Office requests authorization to begin the process to augment the list by issuing a supplemental RFQ. Our Office will report upon completion of the evaluation process with the updated list for MFC review and approval.

BACKGROUND

Pursuant to Charter Section 375, contracting authorities issuing bid specifications or RFQs for the purchase of services or goods may prequalify bidders or proposers by utilizing specific criteria when the contracting authority makes a written finding that utilizing such a process would benefit the City. The CAO List of prequalified consultants is utilized by several City departments and allows for review of required minimum capabilities and experience in advance, then specific qualifications specific to goals of a particular project per solicitation.

Since establishment of the first pre-qualified list in 2014, the City has benefited from using the expedited process and saved valuable development time in reducing the contracting time and securing qualified consultants. The appraisal, property management, financial analysis and modeling, market feasibility, environmental assessment, brokerage services and other types of work performed through these contracts have resulted in new and redeveloped housing, spurred economic development and improved delivery of essential constituent services throughout the entire City. City departments have executed approximately 55 contracts with firms from the list for approximately \$6 million ([C.F. 12-1549-S2](#)). Since the June 2019 and approval of the 2nd CAO List, 11 contracts were issued by departments for a value of \$978,867, as outlined in Table 1 below.

Table 1: City Departments Using CAO Prequalified List		
Department	Number of Contracts	Approximate Contract Value
CAO	5	\$184,150
CLA	4	\$256,155
EWDD	1	\$12,000
LAHD	1	\$526,562
Total	11	\$978,867

The CAO AMG received internal and external requests to augment the list for potential new and reconfigured firms. We also received requests from existing firms asking to be considered for additional service areas. Given the economic impacts caused by the COVID pandemic, impacts to and dynamic changes in the real estate market, it is an appropriate time to proceed with a supplemental solicitation.

Regional Alliance Marketplace for Procurement (RAMP) and Business Inclusion Program (BIP)
 After MFC approval of the request to release the supplemental RFQ, the solicitation document will be prepared and distributed to firms through the *Regional Alliance Marketplace for Procurement (RAMP)* according to the schedule in the next section. Contractors will be required to submit Statement of Qualifications (SOQ) and to conduct a BIP outreach to potential Minority, Women, Small, Emerging, Disabled Veteran, and Other Business Enterprise subcontractors BIP outreach goals will be determined and outreach conducted by the City Department during the Request for Bids (RFB), Request for Proposals (RFP), Request for Information (RFI) or other similar solicitation process deriving from the CAO List.

Firms on the current pre-qualified list will not need to reapply unless they are seeking to be prequalified in new service areas. As with the initial list, once updated, the City reserves the right to use the pre-qualified list of contractors for a project or to advertise the project broadly through the City’s new procurement system, RAMP, to all contractors, depending on the needs of the project. The contracting method will be identified at the time of advertisement.

The RFQ summary services listed below are detailed in the Attachment to this report:

1. Real Estate Services and Brokerage;
2. Project Feasibility, Underwriting, and Public/Private Partnerships;
3. Economic Development Analysis;
4. Community Outreach and Engagement; and
5. Master Planning, Site Planning, and Project Management.

Proposed RFQ Schedule

Table 2 is the proposed Supplemental RFQ schedule. The dates are tentative and subject to change until finalization and release of the RFQ. There is sufficient time built into the schedule that allows for inadvertent delays and still secure Council review and approval prior to expiration of the current term.

Table 2: Supplemental RFQ Schedule (Tentative)	
RFQ Activity	Date
RFQ Issuance	Monday, February 14, 2022
Optional Pre-Submittal Conference	Monday, February 21, 2022
SOQs Due	March 17, 2022
Selection Panel Evaluation	March 21-25, 2022
MFC and Council Approval of List	March/April 2022

Selection Panel Evaluation

The supplemental RFQ will use the same Selection procedure and criteria as the current RFQ. The CAO will solicit and secure participation from representatives from various key City Departments that use the list to review and score each complete and fully responsive SOQ. SOQs shall be determined eligible for review and scoring based on the responsiveness and factuality or verifiability of the documentation and information. The results of the supplemental RFQ will be reported to MFC and Council for approval. The current list will remain in effect and available for use through June 2022.

Charter Section 1022

In compliance with City Contracting requirements, departments will be required to initiate a Charter Section 1022 process for input from impacted City departments and for a determination from the Personnel Department prior to using the list to ensure that City forces are not available to complete the work in-house.

FISCAL IMPACT STATEMENT

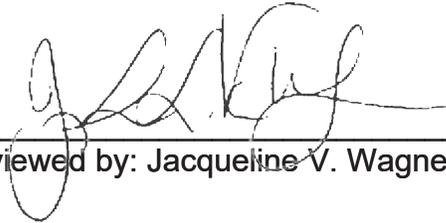
There is no immediate impact to the General Fund from approval of the recommendation to release the supplemental RFQ. Department General Managers may access and use the active CAO list as long as their respective budgets already contain funding and authority for such use. Use of the list without an approved source of funds may result in an impact on the General Fund and will require Council approval.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City Financial Policies, in that any resulting solicitation or contract expenditures are required to be approved and part of the Adopted Budget or have secured interim Council and Mayoral approval.



Prepared by: Kelly O'Malley, Sr. MA I



Reviewed by: Jacqueline V. Wagner, Chief AA

Attachment: May 31, 2019 Pre-Qualified List of Real Estate Consultants

YC/JVW:ko
DocId: 15220018

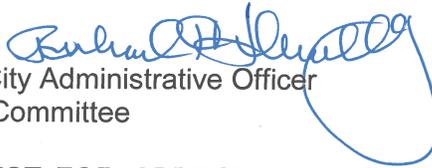
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0220-05565-0004
Council District: All

Date: May 31, 2019

To: Los Angeles City Council

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



Subject: **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.

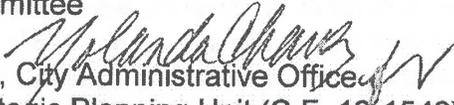
REPORT FROM

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

RHL:YC/JVW:ay:15190118

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