

CITY OF LOS ANGELES

CALIFORNIA

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GENERAL MANAGER



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MAYOR

**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**

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May 21, 2024

Council File:
Council District: All
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The Honorable Karen Bass
Mayor, City of Los Angeles
Room 303, City Hall

Attention: Heleen Ramirez, Legislative Coordinator

TRANSMITTAL: REQUEST FOR AUTHORIZATION TO RELEASE A REQUEST FOR QUALIFICATIONS TO ESTABLISH PRE-QUALIFIED ON-CALL CONTRACTS FOR REAL ESTATE AND ECONOMIC DEVELOPMENT SERVICES

The General Manager of the Economic and Workforce Development Department (EWDD) respectfully requests that your Office review and approve this transmittal and forward it to the City Council for further consideration.

SUMMARY

The Economic and Workforce Development Department (EWDD) requests authorization to release a Request for Qualifications (RFQ) to pre-qualify consultants in ten service areas related to professional real estate and economic development services, with the intention of establishing an on-call contract with each of those pre-qualified consultants. A maximum of five on-call contracts are anticipated to be approved per service area. On-call contracts would be for a term of three years. The requested action to release the RFQ has no immediate financial impact on the General Fund. If approved, EWDD anticipates circulation of the RFQ on June 25, 2024 and would return to City Council in late summer or early fall of 2024 with an update on the scoring and ranking of firms and a request for authorization to execute the on-call contracts.

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

1. Authorize the Economic and Workforce Development Department (EWDD) to issue a Request for Qualifications (RFQ) to identify qualified consultants to recommend for future Pre-Qualified On-Call Contracts for real estate, and economic development services; and
2. Direct EWDD to report on the results of the RFQ process to the City Council. With that report, EWDD will request authorization to enter into On-Call Contracts for real estate and economic development services.

BACKGROUND

The City of Los Angeles (City) occasionally requires outside consultant expertise or services for various reasons, including:

- There is insufficient existing City staff to perform the work proposed to be contracted and additional staff cannot be employed and trained in a timely manner to meet the department's needs;
- The work is of limited scope or intermittent nature and it is unlikely that the City would be able to continue the employment of persons hired for this project; and
- Independent review is needed, or the contractor has proprietary knowledge of the City needs.

Pre-Qualification

Consistent with Charter Section 371 on contracting, the City has established a variety of pre-qualified lists or "benches" for professional services where subsequent requests for consultant services can be executed in an expedited manner. Pre-qualifying contractors can permit the City to review the capabilities and prior track record of the contractors, and preserve the award process, thus eliminating a step in the solicitation process.

Departments that currently use benches include City Administrative Officer, City Planning, Housing, and Community Investment for Families. Typically, consultants who have been pre-qualified are selected through a "Request for Bid" (RFB) solicitation process. Pre-qualified consultants who are selected through an RFB are still required to go through the entire standard contracting procedure, which can take as long as several months.

On-Call Contracts

If the recommendations in this Transmittal are adopted, EWDD will be working towards establishing on-call contracts with each of the pre-qualified consultants. Departments that currently use this on-call system include the Bureau of Engineering and the Department of Transportation. EWDD is moving towards this method and away from simply pre-qualifying consultants to assist the Department with project and service delivery, as directed by the Mayor and City Council.

Although EWDD continues to perform as much work as practicable with existing in-house staff, the need to contract work out is occasional in nature, specialized, and typically cannot be addressed by EWDD or other City departments in a timely manner. Pre-qualified on-call contracts will provide EWDD with the flexibility to advance work when internal capacity limits the department's ability to deliver projects on schedule, or to accelerate schedules when directed by the Mayor and City Council.

DISCUSSION

The RFQ will seek Statements of Qualifications (SOQ) responses from consultants in ten service areas that address needed Real Estate and Economic Development professional services:

1. Appraisal and Broker Opinion of Value
2. Real Estate Services and Brokerage
3. Title and Escrow
4. Project Feasibility and Underwriting
5. Real Estate Development Advisor
6. Planning and Design
7. Construction Management
8. Collection and Foreclosure Services
9. Marketing and Outreach
10. Construction Cost Management Services

The RFQ will allow for consultants to identify one or more service areas to be considered for pre-qualification. Firms will not be restricted in the number of categories they self-identify for consideration. The RFQ will also include minimum qualifications specific to each service area. Examples of minimum qualifications include associated licensing and years of operation within a specific service area.

Evaluation and Selection

EWDD will convene an evaluation panel to review and score each of the SOQs received that meet minimum qualifications. Scores will be based on a total 100-point scale. Evaluation criteria will generally consist of applicable experience, record of past performance, and the response of references. It is anticipated that on-call contracts will be established for the highest scoring respondents (with a minimum average of at least 70 points) per service area. Generally, no more than five firms will be recommended for on-call contracts per service area. On-call contracts are anticipated to be for a three-year term.

Assignment of Work

EWDD will not guarantee a minimum of business or compensation as part of an on-call contract, and will not obligate itself to utilize any consultant for any set percentage of work. Performance of services will not begin until consultants participate in EWDD's Task Order Solicitation (TOS) process, which will be described in the executed on-call contract. Generally, the TOS process will be initiated upon identification of a specific project that requires consultant assistance in an applicable service area. Departments preparing a TOS must have the respective authority and budget for such use. A TOS will be released in one of the two following methods.

1. For projects with sufficient lead time, a TOS will be prepared by a City Department and distributed to all consultants with pre-qualified on-call EWDD contracts within the applicable service area. These firms will be asked to submit proposals on the upcoming project. An evaluation panel of EWDD staff will examine each proposal and will make a selection, if any, of the firm whose proposal represents the best overall value to the City Department for the requested work. If a consultant's

proposal is selected for award, EWDD and the consultant will enter into a Task Order Agreement prior to commencing work, and EWDD will send a Notice to Proceed informing consultant when work can commence.

2. In certain circumstances, it may be necessary to prepare a sole source TOS. A sole source TOS requires approval by the General Manager of EWDD. If approved, a sole source TOS will be prepared and a single consultant with a pre-qualified on-call contract in the applicable service area will be asked to submit a proposal for the required work. An evaluation panel of EWDD staff will review the proposal from the sole source firm to ensure that all requirements of the requested work are met. If the consultant's proposal is selected for award, EWDD and the Consultant will enter into a Task Order Agreement prior to commencing work, and EWDD will send a Notice to Proceed informing consultant when work can commence.

Other Departments would also be able to utilize the TOS process for EWDD pre-qualified on-call consultants if their needs align with service areas of the RFQ. In the case of EWDD, funding for the consultant's scope as reflected in the Task Order Agreement will come from the department's Contractual Services Budget, existing project funding, grant income, or other previously identified sources. If another department utilizes EWDD's on-call consultants, funding for that work will be identified by the other department.

Regional Alliance Marketplace for Procurement (RAMP LA) and Business Inclusion Program (BIP)

The City has a commitment of ensuring that all businesses have an equal opportunity to participate in City contracts, and a commitment to outreach and participation of minority and women-owned businesses. The City uses RAMP LA and BIP to achieve this commitment. RAMP LA is also used to ensure that contractors comply with other contracting requirements such as the Equal Employment, Affirmative Action and Slavery Disclosure Ordinances.

Below is the proposed schedule for release and approval of the RFQ.

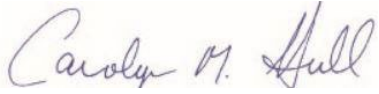
| RFQ SCHEDULE (Tentative) | |
|-----------------------------------|---------------------------------|
| RFQ Activity | Date |
| RFQ Issuance | Tuesday, June 25, 2024 |
| Optional Pre-Submittal Conference | Tuesday, July 9, 2024 |
| BIP Outreach Deadline | Tuesday, July 23, 2024 |
| Statement of Qualifications Due | Tuesday, August 6, 2024 |
| Selection panel Evaluation | Tuesday, August 20, 2024 |
| Update to Council | Late Summer or Early Fall, 2024 |

Charter Section 1022

In compliance with City Contracting requirements, EWDD and other departments will be required to initiate a Charter Section 1022 process for input from impacted City departments prior to using the list to ensure that City forces are not available for the task.

FISCAL IMPACT STATEMENT

There is no immediate impact to the General Fund from approval of the recommendation to release the RFQ.

A handwritten signature in purple ink that reads "Carolyn M. Hull".

CAROLYN M. HULL
General Manager

CMH:MC