

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: September 19, 2024

CAO File No. 0220-06235-0000

Council File No. 12-1549

Council District: All

To: The City Council

From: Matthew W. Szabo, City Administrative Officer

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Edwin Gipson II  
Date: 2024.09.18  
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Subject: **REQUEST TO ESTABLISH A NEW QUALIFIED LIST OF REAL ESTATE AND ECONOMIC DEVELOPMENT CONSULTANTS**

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### SUMMARY

The Office of the City Administrative Officer (CAO) issued a Request for Qualifications (RFQ) on June 11, 2024 to establish a qualified list of real estate and economic development consultants. This report requests approval of a new qualified list of consultants for three years, and two one-year extensions. Once approved, the list will allow the CAO and other City departments to solicit bids from the qualified firms on an as-needed basis.

### RECOMMENDATION

That the Council, subject to approval of the Mayor,

1. APPROVE the proposed qualified list of consultants (Attachment A) identified through the Request for Qualifications for three years, and two one-year extensions;
2. AUTHORIZE the CAO, or designee, to solicit bids from the qualified list and execute contracts on an as-needed basis, subject to funding availability, in compliance with the City's contracting policies, and City Attorney approval as to form; and,
3. AUTHORIZE General Managers, or designees, of City departments to solicit bids from the qualified list and execute contracts on an as-needed basis, subject to funding availability, in compliance with the City's contracting policies, and City Attorney approval as to form.

### BACKGROUND

The CAO has managed a qualified list of consultants for real estate and economic development related services since 2014. This list has been used to contract for needed services by this Office, the Los Angeles Housing Department (LAHD), the Economic Workforce Development Department (EWDD), the Chief Legislative Analyst (CLA), and the General Services Department (GSD). The qualified list expired on June 24, 2024 (C.F. 12-1549). This Office, however, anticipates the

continued need for short-term professional services and third-party technical review of proposed real estate and economic development projects.

## **DISCUSSION**

The CAO issued the RFQ on June 11, 2024 seeking Statements of Qualifications (SOQs) from over 20,000 vendors within 21 North American Industry Classification System (NAICS) codes through the City's Regional Alliance Marketplace for Procurement (RAMP ID 215501). Vendors were provided the opportunity to submit questions on the RFQ via email through July 15, 2024. Answers to all submitted questions were posted by July 17, 2024 for all vendors to review. The CAO received a total of 39 submissions by the RFQ deadline of July 22, 2024.

This Office requests that City Council approve the qualified list of consultants (Attachment A) in the seven (7) service areas. The previous qualified list, which expired on June 24, 2024 (C.F. 12-1549), included only five (5) service areas. Staff determined the need to add Commercial Real Estate Inspection Services and Space Planning services to the RFQ. The seven (7) service areas are outlined in Attachment B.

### Evaluation Process

A minimum threshold review was conducted immediately after the submission deadline of July 22, 2024 and found two (2) non-responsive SOQ submissions. The two (2) firms were notified of their non-responsive submissions and were provided five business days from the date of the notification letter to file an appeal. Both firms submitted an appeal by the deadline. The appeal was reviewed by an appeals panel comprised of CAO staff. The appeals panel upheld the two (2) SOQs as non-responsive to the RFQ.

The CAO convened evaluation panels comprised of representatives from the CAO, EWDD, CLA, GSD, Bureau of Engineering, Department of Building and Safety, LAHD, and Community Investment for Families Department, to review and score each of the 37 responsive SOQs.

Of the 37 respondents, the review panels deemed 34 firms qualified in at least one (1) of their selected service areas, based on a minimum score of 70 out of 100 possible points. Ten (10) firms were deemed not qualified in one (1) or more of their selected service areas. Three (3) firms were deemed not qualified in any of their selected service areas. Below is a summary of the number of proposals received for each service area and the number deemed qualified.

Service Area	Total Proposals Received	Total Qualified
1. Project Feasibility and Underwriting for Housing Projects	19	14
2. Economic Development Analysis	16	12
3. Brokerage and Related Services	12	9
4. Project Management	14	12
5. Community Outreach and Engagement	6	5
6. Commercial Real Estate Inspection Services	1	1
7. Space Planning	16	14

Notification letters were sent to firms on September 10, 2024. Firms that were deemed not qualified in one (1) or more of their selected service areas were given five (5) business days to appeal. This Office received one (1) appeal. Resultantly, the appeals panel reconsidered the SOQ and deemed that firm as qualified in the applicable service area.

Charter Section 1022 Determination

In accordance with Charter Section 1022, the Personnel Department determined that while there are some civil service classifications that could potentially provide statistical analyses, property evaluations, and economic forecasting, it would be difficult to perform the full scope of work by City classifications due to the highly variable, specialized and intermittent nature of the services.

Bidding and Contracting

The qualified list will be effective for a three-year initial term, and two one-year optional extensions. Bids to firms on the qualified list will be requested for specific assignment scopes on an as-needed basis. The winning bidder, selected by the City as being the most responsive and cost-effective, would be awarded a contract for each specified assignment.

All firms selected for a contract from the qualified list must comply with the City's insurance requirements, the Business Inclusion Program (BIP) and all applicable City Policies. Any contract exceeding three-years in duration will first be considered by Council and Mayor in accordance with L.A.A.C. Section 10.5. Any contract exceeding \$25,000 will require Mayor's Office review, pursuant to Executive Directive 3 (Villaraigosa series).

**FISCAL IMPACT STATEMENT**

There is no impact on the General Fund.

**FINANCIAL POLICIES STATEMENT**

The recommendations in this report comply with the City's Financial Policies.

Attachment A — Proposed Qualified List of Real Estate and Economic Development Consultants

Attachment B — RFQ Service Areas

**ATTACHMENT A**

**PROPOSED QUALIFIED LIST OF REAL ESTATE AND ECONOMIC DEVELOPMENT CONSULTANTS**

Service Area 1: Project Feasibility and Underwriting for Housing Projects		Service Area 2: Economic Development Analysis		Service Area 3: Brokerage and Related Services	
Firm	Total Score (Max 100 Pts.)	Firm	Total Score (Max 100 Pts.)	Firm	Total Score (Max 100 Pts.)
Baker Till Advisory Group, LP	100	Asset Strategies c/o Gensler	96	Asset Strategies c/o Gensler	81
Bell Design Group	75	Baker Tilly Advisory Group, LP	78	CBRE	94
Cohn Reznick	100	Beacon Economics LLC	82	Cushman & Wakefield	90
CSG Advisors	100	Economic & Planning Systems (EPS)	88	DAECO	73
Cushman & Wakefield	84	Ernst & Young Infrastructure Advisors	94	JLL Public Institutions	81
CTY Housing	91	Harmonie Park Advisory Partners	79	Kosmont Real Estate	75
Economic & Planning Systems (EPS)	77	Hatch Associates Consultants, Inc.	95	RSG	74
Harmonie Park	84	HR&A Advisors, Inc.	94	Savills	88
HR&A Advisors, Inc.	84	Keyser Marston Associates (KMA)	94	Tierra West Advisors, Inc.	73
JLL Public Institutions	71	Kosmont Companies	97		
Keyser Marston Associates (KMA)	89	RCLCO	78		
RCLCO	100	RSG	88		
RSG	79				
Urban Focus	100				

  

Service Area 4: Project Management		Service Area 5: Community Outreach and Engagement		Service Area 7: Space Planning	
Firm	Total Score (Max 100 Pts.)	Firm	Total Score (Max 100 Pts.)	Firm	Total Score (Max 100 Pts.)
Asset Strategies c/o Gensler	74	Gensler	90	Arcadis	82
CBRE	91	HR&A Advisors, Inc.	89	Asset Strategies c/o Gensler	90
Cohn Reznick	79	Lee Andrews Group, Inc.	89	Bell Design Group	75
CTY Housing	73	Moore, Iacofano, Goltsman, Inc.	89	CBRE	89
Dignity Moves	77	Tierra West Advisors, Inc.	78	Ernst & Young Infrastructure Advisors	80
Ernst & Young Infrastructure Advisors	87			Ex Novo, Inc.	96
Fullerton Consulting Partners	78			Gensler	90
HR&A Advisors, Inc.	89			JLL Public Institutions	89
JLL Public Institutions	88			Klawiter & Associates, Inc.	80
RSG	73			Martinez + Marin Architecture	74
Savills	75			Quezada Architecture	86
Tierra West Advisors, Inc.	84			Savills	90
		CBRE	84	Urban Focus LLC	78
				Vertebrae	71

**ATTACHMENT B**  
**RFQ SERVICE AREAS**

**1. Project Feasibility and Underwriting for Housing Projects**

Studies in this service area will be focused on various housing models (e.g. permanent affordable and supportive housing, mixed-income and mixed-use models) and may include pro forma analysis, underwriting, public/private deal structuring (including alternative financing options, assessments of equity participation, developments on ground leased City property, lease-leaseback transactions, and alternative ownership positions), cash flow analysis, development specific revenue analysis, financial feasibility analysis, project valuations, fiscal impact analysis, residual land value analysis, ground lease structuring, assistance in developer negotiations, parking analysis (primarily regarding demand, supply, and strategies for optimization), and site planning.

**2. Economic Development Analysis**

Assessments in this service area may include economic development analysis that include strategies for commercial and industrial land use, community revitalization, GIS mapping services (e.g. mapping land use in relation to job centers, public transportation, etc.), sector-based strategies (e.g. local or regional workforce needs), business incubation strategies, and strategies for business retention, expansion, and attraction. This service area also includes economic analysis related to enhanced infrastructure financing districts (EIFDs), including assessing revenue assumptions based on property tax receipts, and estimating tax increment allocations for proposed EIFD projects.

**3. Brokerage and Related Services**

This Service area includes providing brokerage and marketing for City-controlled properties (including leases), brokerage representation for transactions involving non-City owned properties, preparation of real property appraisals and Broker Opinions of Value, title reports, market research and feasibility analysis, commercial and Industrial surplus/leakage analysis. Selected firm may also be required to advise on marketing strategies to solicit tenants and lease structuring for City-owned properties. This area would also include providing financial advice and analysis regarding structuring of City leases, preparation of Requests for Proposal, Requests for Qualifications, or other solicitations for development, purchase, sale, or lease of City property or for City use.

**4. Project Management**

This service area includes negotiation/project management services for development projects involving City properties for sale, purchase of City property, or leasing of private properties for City use. This may involve planning, coordinating and providing general and technical oversight of all project components. Services may also include formulating, implementing and oversight of project budget including securing and identifying funding if needed.

**5. Community Outreach and Engagement**

Services in this area may include conducting, coordinating, and/or presenting outreach meetings (e.g. listening sessions, design charrettes, etc.), preparing and distributing outreach materials (e.g. survey materials, digital resources such as websites and Storymaps), coordinating with elected officials, Neighborhood Councils, and other City and local agencies regarding public meetings for planning, design, development and implementation of various projects, developing strategic communications, objectives, and processes to enhance public participation and engagement efforts.

**6. Commercial Real Estate Inspection Services**

This service area includes inspection services for commercial properties that may include City-owned properties, to determine the condition, safety, maintenance, and potential issues of the property. The inspectors (e.g. architects, structural engineers, etc.) must be licensed and trained to provide a thorough and comprehensive evaluation of the building structure, electrical, plumbing, mechanical, HVAC, elevator, fire life safety, utilities, and any other relevant other building systems to determine if they are functional or in need of repair. The commercial building inspection should also evaluate and report any potential Americans with Disabilities Act compliance or hazardous materials issues. The evaluation should take into consideration the age, type, and occupancy of the property and whether any deficiencies must be corrected prior to occupancy or if they can be repaired as part of a deferred maintenance schedule. In some instances, the City will provide the planned future use of the facility in advance so that the inspection can be completed to the appropriate standard.

**7. Space Planning**

This service area includes analyzing City Space Standards for City employees. This work would consider the changes in technology and workplace environment, which includes telecommuting and hybrid work schedules, etc., to develop flexible workspace options, such as desk-sharing, hoteling, or collaborative areas to optimize the space. Developing architectural drawings for the proposed space standards. Performing a “test-to-fit” analysis to illustrate the space efficiencies gained as a result of the proposed space standards. This area would also include long-term strategic space planning for City use and other matters related to City operations. Project-specific space planning services may also be required as part of a proposed lease or purchase for City use.