



CITY OF LONG BEACH

R-18

DEPARTMENT OF PUBLIC WORKS

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January 21, 2014

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute agreements with Blair Commercial Real Estate, Inc., Cresa Partners of Los Angeles, Inc., Cushman & Wakefield of California, Inc., and Lee & Associates Commercial Real Estate Services, Inc., – South Bay, for “as-needed” real estate broker services, in an aggregate total amount not to exceed \$200,000, for a three-year term, and to execute any necessary amendments to the agreements relative to extending the terms for up to one additional year, changing the contract dollar amounts, authorizing additional services, if required, within the provisions of the agreements, and adjusting the fee schedules for inflation, all within the aggregate total amount of \$200,000; and

Authorize the City Manager, or designee, to execute listing agreements, and any other necessary documents with Blair Commercial Real Estate, Inc., Cresa Partners of Los Angeles, Inc., Cushman & Wakefield of California, Inc., and Lee & Associates Commercial Real Estate Services Inc – South Bay, for the listing of City-owned property as needed, for a term not to exceed 12 months and for a commission amount not to exceed 6 percent of the gross sales price. (Citywide)

DISCUSSION

Historically, the City of Long Beach uses outside firms on an as-needed basis to supplement City staff with necessary real estate broker services for the listing of City-owned property for sale, the purchase of property listed on the open market, and for the leasing of privately-owned property for use by City departments and programs. These services are being procured for the needs of City departments for current, as well as unforeseen projects, that will arise over the next three years. At this time, all prior agreements for these specialized professional services have expired. A Request for Proposals (RFP) process was conducted in accordance with Administrative Regulation 8-4, “Selecting Professional Services,” to secure qualified firms.

The RFP was posted via the electronic bid system on June 11, 2013 and 2,783 potential proposers specializing in broker services were notified of the RFP opportunity. Of those proposers, 23 downloaded the RFP document via our electronic bid system. The RFP document was also made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division’s website at: www.longbeach.gov/purchasing, as well as

using an internal mailing list comprised of previous respondents and firms indicating an interest in being considered. The RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority and women-owned business groups. Nine proposals were received by the July 30, 2013 deadline. Of those nine proposers, one was a Minority-owned Business Enterprise (MBE), two were Women-owned Business Enterprises (WBEs), one was a certified Small Business Enterprise (SBE), and four were Long Beach businesses (Local).

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses were encouraged to submit proposals for City contracts. The Purchasing Division also assisted businesses with registering on the Bids Online database to download the proposal specifications. Through outreach, 349 Long Beach vendors were notified to submit proposals, of which seven downloaded and four submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

A review committee, comprised of City staff, evaluated the proposals based on the criteria set forth in the RFP document and determined that Blair Commercial Real Estate, Inc. (d/b/a Coldwell Banker Commercial Blair Westmac), (WBE/Local), Cresa Partners of Los Angeles, Inc. (d/b/a Cresa Los Angeles), (not a MBE, WBE, SBE or Local), Cushman & Wakefield of California, Inc. (Local), and Lee & Associates Commercial Real Estate Services, Inc., – South Bay (d/b/a Lee & Associates-Los Angeles South Bay, Inc.) (Local), were best qualified to provide the as-needed specialized professional services, as specified in the RFP. Three of these firms are Long Beach-based firms, and all are committed to using small or disadvantaged firms, as appropriate, based on the work assigned to them by the City. City staff would like to proceed with executing Professional Services Agreements with these firms under the following terms and provisions:

- Term: The term shall commence as of February 1, 2014, and shall terminate on January 31, 2017.
- Options to Extend: The agreements may be extended for up to one additional year at the discretion of the City Manager.
- Contract Amount: The agreements shall be for an amount not-to-exceed \$50,000 per firm. In no event shall the combined aggregate of the Contract Amounts of all agreements exceed \$200,000.
- Termination: Either the City or the firm may terminate the respective agreement at any time during the Term by providing the other party with 30-days prior written notification.

In addition to the Professional Services Agreements, City staff is also seeking authority to execute listing agreements with each firm, if and when the need may arise. The listing agreement allows these firms to be the real estate agent of record and act on the City's behalf, including listing the City-owned property specified in each listing agreement as for

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sale. Any individual listing agreement would be limited to a term of no more than 12 months and commission would be an amount not to exceed 6 percent of the gross sales price of the transaction. Further, any transaction to dispose of the City-owned property would be brought before the City Council for approval once offers have been received.

This matter was reviewed by Deputy City Attorney Linda Vu on January 8, 2014 and by Budget Management Officer Victoria Bell on January 8, 2014.

TIMING CONSIDERATIONS

City Council action is requested on January 21, 2014 in order to allow for timely execution of the Professional Service Agreements.

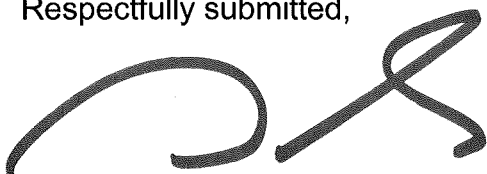
FISCAL IMPACT

Contract authority for a total amount not to exceed \$200,000 is requested for a three-year term plus a one-year option to extend. No appropriation increase is requested at this time. Any work not currently budgeted will only proceed at such time that appropriations have been approved by the City Council. Requests for these services will be issued to the various firms and funded from the budget of the requesting department for each particular project as the need arises. The anticipated job impact created by this action is unknown at this time, and will depend on the type of funds and work assigned over the term of the contract.

SUGGESTED ACTION:

Approve Recommendation.

Respectfully submitted,




ARA MALOYAN
DIRECTOR OF PUBLIC WORKS
MANAGEMENT

AM:VRV:MFT
PW Broker Svcs_VB.doc



JOHN GROSS
DIRECTOR OF FINANCIAL

APPROVED:



PATRICK H. WEST
CITY MANAGER