



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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December 16, 2014

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. RFP FM15-013 and award a contract to Michael M. Palmieri, a sole proprietorship, of Napa, CA, to provide Civic Center financial consulting services, in an amount of \$450,000, and authorize a 10 percent contingency in the amount of \$45,000, for a total not to exceed contract amount of \$495,000, for a period of two years, with the option to renew for three additional one-year periods, at the discretion of the City Manager. (District 2)

DISCUSSION

Should the City Council decide on December 9, 2014 to proceed with the Civic Center project, City Council approval is being requested to enter into a contract with Michael M. Palmieri for providing financial consulting services for the Civic Center project. Projects of this nature and complexity require the expertise of a professional financial consultant who is an expert in Public-Private Partnerships as well as in municipal financing. The consultant will assist the City in developing and negotiating the complex contracts needed to ensure the design, construction, financing, and operation and maintenance of the public portion of the Civic Center and to help ensure the appropriate transfer of risk and costs to the private partner.

A Request for Proposals (RFP) was advertised in the Press-Telegram on November 10, 2014, and 3,376 potential proposers specializing in professional, architectural, and technical services were notified of the RFP opportunity. Of those potential bidders, 57 downloaded the RFP document via the City's electronic bid system. The RFP document was made available from the Purchasing Division, located on the seventh floor of City Hall and the Division's website at www.longbeach.gov/purchasing. An 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. Eight proposals were received on November 19, 2014. Of those eight proposals, one was a Disadvantaged Business Enterprise (DBE), none were Minority-owned Business Enterprises (MBEs), one was a Women-owned Business Enterprise (WBE), two were certified Small Business Enterprises (SBEs), and none were Long Beach businesses (Local).

Local Business Outreach

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download RFP specifications. Through outreach, 373 Long Beach vendors were notified to submit proposals, of which five downloaded and none submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

A selection committee, comprised of staff from the Financial Management and Harbor Departments, reviewed the proposals and evaluated each firm on the criteria set forth in the RFP. Three firms were selected to participate in the interview phase of the evaluation. The selection committee determined that Michael M. Palmieri, of Napa, CA (not DBE, MBE, WBE, SBE, or Local), submitted the most qualified and responsive proposal and was also the only firm that submitted a fixed price proposal which the Committee felt was advantageous to the City.

This matter was reviewed by Deputy City Attorney Richard F. Anthony and by Budget Manager Lea Eriksen on December 02, 2014.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. RFP FM15-013 and award to a contract concurrently is requested on December 16, 2014 to maintain the timeline for occupancy of the new City Hall by late 2019.

FISCAL IMPACT

The not to exceed contract amount of \$495,000 for a two-year period, will be funded from funds available in the Civic Center Fund (IS 380) to be set aside for the Civic Center Exclusive Negotiation Agreement costs. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



**JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT**

APPROVED:



**PATRICK H. WEST
CITY MANAGER**