



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Alexa Jeffress  
Director, Economic &  
Workforce Development  
Department

**SUBJECT:** Extension of On-Call Economic  
Consultant Professional Service  
Agreements

**DATE:** May 10, 2021

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City Administrator Approval

Date: May 19, 2021

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## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution Authorizing The Amendment Of Resolution No. 85717 C.M.S. To Extend The Terms Of Professional Service Agreements For On-Call Economic Consulting Services By An Additional Two Years With A One Year Option To Extend, And To Increase The Amount Of Each Agreement By An Amount Not To Exceed Five Hundred Thousand Dollars (\$500,000) With The Following Five Firms: 1) Century Urban, LLC, 2) David Rosen & Associates, 3) Economic & Planning Systems, 4) Hausrath Economics Group, And 5) Keyser Marston Associates, And Waiving The Request For Proposals Process For These Contracts.**

## **EXECUTIVE SUMMARY**

Approval of this resolution will authorize City staff to extend existing professional services agreements (PSAs) that were first authorized by the City Council in 2015 to provide the City with access to on-call economic consultants for financial, economic, and real estate consulting services. The selected consultants have demonstrated expertise in economic analysis, finance, and real estate transactions and are needed to continue work on City projects currently in progress across multiple departments.

The current agreements will expire on July 21, 2021, with one PSA being administratively extended through July 2022. City staff are seeking to waive the Request for Proposals/ Request for Qualifications (RFP/Q) process and extend the existing agreements for all five on-call consultants for two years with a one-year extension option, for a maximum additional term of up to three years, and to increase the amount of the existing agreements by an additional \$500,000 per firm. During this extension period, staff will develop updated criteria and issue a new RFP/Q that that will focus on developing a broad and diverse submittal response pool to address race and gender contracting disparities, consistent with the recently adopted Local Business Empowerment Through Contracting Ordinance, No. 13640 C.M.S. Extending the PSAs will allow staff to continue critical projects while this updated RFP/Q process is completed.

City Council  
June 1, 2021

## **BACKGROUND / LEGISLATIVE HISTORY**

The Economic and Workforce Development Department (EWDD) works to bring about a vibrant, equitable and resilient economy in Oakland. The various divisions within EWDD have historically demonstrated a need for economic consultants to provide services on numerous projects and programs. In addition, the EWDD on-call economic consultant services are used by multiple departments, including the Planning and Building Department (PBD), Housing and Community Development Department (HCD), and the City Administrator's Office (CAO).

### **Consultant Selection**

Staff released an RFP/Q for as-needed economic consultants in April 2015. Nine submittals were received. Each consultant team (which includes the prime consultant and all associated sub-consultants) was evaluated based upon their qualifications and experience in 17 areas, including: Pro Forma Analysis and Review; Real Estate Market and Feasibility Studies; Financing Plans; Fiscal Impact Analysis; Public Financing Analysis; Affordable Housing Analysis; Business incentives negotiations; etc. Additional consideration was given for consultant teams that incorporated sub-contractors such as design firms, parking consultants, and construction-cost-estimating firms.

Staff evaluated the nine written proposals and scored along the identified criteria. Seven firms were selected for the interview process. Staff determined that all seven teams had met the required criteria and were appropriately qualified and experienced, and each team was selected to provide on-call economic consultant services. All seven respondents met or exceeded the City's minimum 50 percent Local Business Enterprise/Small Local Business Enterprise (LBE/SLBE) requirements and received preference points. Four respondents earned preference points for meeting City criteria on Years in Oakland and/or Oakland Workforce. All selected firms were in compliance with the Equal Benefit Ordinance (EBO).

On July 21, 2015, the City Council adopted Resolution No. 85717 C.M.S. (***Attachment A***) authorizing the seven selected firms for three-year Professional Service Agreements (PSAs), with options for three one-year extensions, with the total PSA amount of \$500,000 per firm. The three one-year extensions provided staff with the ability to evaluate contractor performance before deciding whether to extend the term of their agreement. The contracts did not guarantee a minimum amount of work to any of the selected consultants, nor did they guarantee an associated minimum amount of payment.

One of the seven selected firms was unable to meet all of the City's contracting requirements and was thus unable to enter into a PSA. The remaining six firms entered into PSAs with the City for the original three-year term. The initial three-year contract period terminated in 2018, and an internal evaluation led staff to pursue extensions with five of the six remaining firms. The options to extend were utilized for the remaining five firms for the authorized three one-year terms, with the final one-year option of 2020-21 terminating July of 2021. Since there is contracting authority remaining in the current agreement, the Hausrath Economics Group PSA is currently in the process of being administratively extended to July 2022. This extension is necessary to allow PBD to continue critical and time sensitive work on the Five-Year Impact Fee review and is consistent with authority delegated to the CAO in Resolution No. 85717 C.M.S.

**ANALYSIS AND POLICY ALTERNATIVES**

Staff recommends that the contract terms be extended for the five firms listed below so they can continue to be available to provide essential economic consulting work to support projects across a variety of City departments. The five firms recommended for extension pursuant to this resolution have provided services for over 50 projects. In addition to providing services for EWDD, the five consultants have provided services for PBD, HCD and the CAO. See details in **Table 1** below:

**Table 1:**

Consultant	# of Projects	Project Status		Funds Charged	Funds Pending	Contracting Authority Remaining
		Complete	Pending			
KMA	8	7	1	242,796	0	257,204
Hausrath	6	4	2	206,100	293,900	0
EPS	14	13	1	192,087	15,085	292,828
Century Urban	22	21	1	412,248	0	87,752
DRA	1	1	0	99,801	0	400,199
<b>Totals:</b>	<b>51</b>	<b>46</b>	<b>5</b>	<b>\$1,153,032</b>	<b>\$308,985</b>	<b>\$1,037,983</b>

The following is a description of each of the five firms included in this resolution, and their work with the City:

- 1. Keyser Marston Associates (KMA)** has completed seven large-scale projects with the City and currently has one ongoing project, accounting for a total of \$242,796. KMA has worked with EWDD and the CAO on major projects such as Coliseum City, City Center T5/T6, 2100 Telegraph, Lakehouse Commons, and 500 Kirkham. KMA has also worked with staff on the Oakland Army Base.
- 2. Hausrath Economics Group (Hausrath)** has completed four projects with the City, accounting for a total of \$206,100. Hausrath also has two large scale projects in progress that are expected to utilize the remaining \$293,900 in funds, which would account for their total allotment of City contracting authority. Hausrath has engaged with Planning staff on major projects such as a Downtown Zoning Incentive Program analysis and a Housing Strategy Study. Hausrath has also worked with EWDD on major projects such as the 66<sup>th</sup> and San Leandro Project Analysis, and the Industrial Inventory and Impact Study.
- 3. Economic & Planning Systems (EPS)** has completed thirteen projects with the City, accounting for a total of \$207,172. EPS also has one ongoing project with the City. EPS has worked with HCD on the 7th and Campbell Reuse Analysis project and has worked with PBD on the Downtown Oakland Specific Plan Incentive project. EPS has also worked with EWDD on such projects as the Fruitvale Transit Village IIA and IIB affordable housing development, the Oak Knoll Barcelona Parcel Development Feasibility Analysis, the Seminary Point Development project and the 2100 Telegraph Feasibility Analysis.

4. **Century Urban** (Century Urban) has completed twenty-one projects for the City, accounting for a total of \$412,248. Century Urban is actively working with the CAO on the Howard Terminal project, which is expected to utilize the remaining approximately \$88,000 in their allotment of contracting authority. Century Urban has worked with EWDD on major projects such as the Henry J Kaiser Auditorium, the Piedmont Library Feasibility Analysis project, Lakehouse Commons, 23<sup>rd</sup> and Webster, 95<sup>th</sup> and International, and the 3050 International Development Project Feasibility Analysis.
5. **David Paul Rosen and Associates** (DRA) have engaged in one project with the City. DRA worked on the Loan Underwriting and Asset Management for Affordable Housing project with HCD, accounting for \$99,801 in services.

#### RFP/Q Process Waiver

Staff is recommending waiving the RFP/Q Process and to immediately extend the terms of the current PSAs for an additional two years, with an additional one-year option. Extending the existing PSAs will allow the consultants to continue working on existing projects, without being negatively impacted by current time or fund limits. In addition, staff can continue working on projects with firms that have an existing familiarity with these projects while the updated RFQ/P process is developed.

#### Updated RFP/Q, Evaluation and Follow-Up

If City Council adopts the current resolution, during the extension period EWDD Staff will fully develop an updated RFP/Q process that will focus on developing a broad and diverse submittal response pool. EWDD staff will continue discussions with the Race and Equity Department to cultivate strategies to expand outreach to LBE/SLBEs in underrepresented and Black, Indigenous and People of Color (BIPOC) communities, including regional trade and business groups. Expansion of advertisement will also be explored, with the intent to send the legal notice of the RFP/Q to multiple publications beyond the Oakland Tribune and Post and identify those that target underrepresented and BIPOC communities.

#### Alternatives

Not amending Resolution No. 85717 C.M.S will result in the termination of four of the five on-call economic consultant services from the five firms effective July 21, 2021. This would negatively impact a number of ongoing projects, resulting in modified or incomplete assignments. Two major City efforts that are currently using economic consultant services projected to be needed beyond the July 21<sup>st</sup> termination date include: 1) Howard Terminal project; and 2) Fruitvale Transit Village IIB affordable housing project. The Howard Terminal project is expected to continue beyond the current termination date, and Century Urban's consultant services have been instrumental in moving that project forward. EPS has been working with EWDD on various aspects of the Fruitvale Transit Village IIB affordable housing development project which is expected to start construction later this year. A termination of economic consultant services for either of those efforts will potentially disrupt those projects significantly.

In addition, economic consultant services will no longer be immediately available for any current or new projects. A number of City-owned sites were authorized to release Notices of Availability (NOA) to prioritize affordable housing development pursuant to the California Surplus Lands

Act. EWDD staff have begun this process for the following sites: Barcelona Parcel at Oak Knoll, 73<sup>rd</sup> and Foothill, Clara and Edes, and 36<sup>th</sup> and Foothill. EWDD staff plan to utilize economic consultant services to assist in various studies and analyses related to the development of those sites in the coming months.

As stated above, the Hausrath PSA is in the process of being administratively extended to allow PBD to continue critical and time sensitive work on the Five-Year Impact Fee review and shall terminate in July 2022. However, the additional contracting authority and time extension granted under this resolution will allow that consultant to continue to work on other critical projects in the near term, and grant additional time and contracting authority, if needed, to complete work on the Five-Year Impact Fee review.

Engaging in a new RFP/Q Process would likely result in a minimum 12-18 month period to develop updated criteria, conduct outreach, and review, select and approve new consultants, which would disrupt economic consultant services for multiple projects, and across multiple departments.

### **FISCAL IMPACT**

Each extension will increase the budget authority for each contract in an amount not to exceed an additional \$500,000. However, awarding work will be contingent on an approved task's scope and budget, and identification of a budgeted funding source. The on-call agreements will continue to be funded by local, regional, State, and Federal sources, as well as various other grant sources, committed to specific projects. As a result, approval of the proposed resolution does not result in additional appropriation of funds. Funds will be identified prior to execution of each task order.

AMOUNT OF RECOMMENDATION/COST OF PROJECT: Contract authority for five, five hundred thousand dollar (\$500,000) extensions will be issued for a total of two and one-half million dollars (\$2,500,000). However, no appropriation of funds is being requested towards a specific project. Each project utilizing these services will need to go through the requisite appropriations process.

COST ELEMENTS OF AGREEMENT/CONTRACT: The maximum potential cost of all contract extensions could be two and one-half million dollars (\$2,500,000). The total amount would be dependent upon the use of the services over the contracts' lifespan.

SOURCE OF FUNDING: Funding for the on-call contract work will come from separate projects. Funding sources will be identified on a per-project basis, through the appropriations process.

FISCAL IMPACT: No direct fiscal impact is anticipated via this process. Each individual project will identify their associated fiscal impact through the appropriations process.

### **PUBLIC OUTREACH / INTEREST**

Notifications of solicitations for the 2015 RFP were distributed by several means. The first mean was the City's iSupplier system, which was utilized to notify Oakland-certified local and non-local

professional service providers (e.g., finance, accounting, architects, and marketing firms). Companies that register in iSupplier wait a few days before receiving access to review proposal requests in this system. If a company enters a North American Industry Classification System (NAICS) code, they are notified about projects with this code. For this specific RFP/Q for On-Call Economic Consultants in 2015, the specified NAICS code resulted in providing notifications to 284 firms. A legal notice for the RFP/Q was also advertised in the Oakland Tribune in April of 2015. Both the iSupplier notification and the legal notice provided the website address and a link to the RFP/Q on the City's website.

In April 2015, EWDD also held an outreach/networking/pre-proposal meeting in partnership with the Department of Workplace and Employment Standards (DWES; formerly Contracts and Compliance Office) and ten representatives from interested firms. The purpose of this meeting was to discuss with potential consultants how contracts are established with the City, to allow for opportunities for consultants to network and partner on upcoming work, and to specifically discuss the RFP/Q solicitation.

If the resolution is approved, during the extension period EWDD staff will develop an updated RFP/Q process that will focus on developing a broad and diverse submittal response pool and expanding outreach to LBE/SLBEs in underrepresented communities in coordination with the Race and Equity Department and DWES.

### **COORDINATION**

The City Attorney's Office and Budget Bureau were consulted in the preparation of this report and legislation. The RFP/Q process was coordinated with DWES. The On-Call Economic Consultant PSAs have been utilized by the CAO, PBD and HCD.

### **PAST PERFORMANCE, EVALUATION AND FOLLOW-UP**

On July 21, 2015, the City Council adopted Resolution No. 85717 C.M.S. authorizing the seven selected firms for three-year Professional Service Agreements (PSAs), with options for three one-year extensions, with the total PSA amount of \$500,000 per firm.

One of the seven selected firms was unable to meet all of the City's contracting requirements and was thus unable to enter into a PSA. The remaining six firms entered into PSAs with the City for the original 3-year term. The initial 3-year contract period terminated in July of 2018, and an internal evaluation was conducted. Staff that served as project managers reviewed the consultant's performance and work product, and provided a recommendation to the EWDD Director on whether or not to extend the consultant for an additional year. The final recommendation to extend was provided by the EWDD Director and authorized by the CAO. Five of the six contracted firms were chosen to receive the one-year extensions in 2018. A similar process was enacted in 2019 and 2020, with the five remaining firms receiving extensions each time. Currently, EWDD staff have requested that the five firms receive additional extensions for both time and amount to continue ongoing work.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** This item and its requested actions do not directly provide any specific sustainable economic opportunities. However, the economic consultant services support projects throughout Oakland that positively impact the economic development and growth of the City.

***Environmental:*** This report and its requested actions do not directly provide any specific sustainable environmental opportunities. Indirectly, the economic consultant services could provide assistance on projects throughout Oakland that would adhere to City environmental standards and positively impact Oakland and its citizens.

***Race & Equity:*** This report and its requested actions do not directly provide any specific sustainable race and equity opportunities. However, the economic consultant services provide assistance on projects that could create new jobs, as well as lead to the expansion of commercial, housing and other economic opportunities for the citizens of Oakland.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution Authorizing The Amendment of Resolution 85717 C.M.S To Extend The Terms Of Professional Service Agreements For On-Call Economic Consulting Services By An Additional Two Years With A One Year Option To Extend, And To Increase The Amount Of Each Agreement By An Amount Not To Exceed Five Hundred Thousand Dollars (\$500,000) With The Following Five Firms: 1) Century Urban, LLC, 2) David Rosen & Associates, 3 Economic & Planning Systems, 4) Hausrath Economics Group, And 5) Keyser Marston Associates, And Waiving The Request For Proposals Process For These Contracts

For questions regarding this report, please contact Kimani Rogers, Urban Economic Analyst IV, at 510-238-6204.

Respectfully submitted,



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ALEXA JEFFRESS

Director, Economic & Workforce Development  
Department

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Public Private Development Division, EWDD

Attachments (1):

A: Resolution No. 85717 C.M.S