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OAKLAND
2015 JUL -2 AM 11:08

AGENDA REPORT

TO: Sabrina B. Landreth
CITY ADMINISTRATOR

FROM: Mark Sawicki

SUBJECT: 2015 On-Call Economic Consultant
Services Selection

DATE: June 22, 2015

City Administrator
Approval

Date

7/1/15

COUNCIL DISTRICT: City-wide

RECOMMENDATION

Staff recommends that the City Council adopt:

A Resolution Authorizing The City Administrator, Or Designee, To Award, Negotiate, And Execute Professional Services Agreements For Three Year Terms, With Three One Year Options To Extend, For On-Call Economic Consultant Services With The Following Seven Firms: 1) AECOM, 2) Century Urban, LLC 3) David Paul Rosen & Associates, 4) Economic & Planning Systems, 5) Hausrath Economics Group, 6) Keyser Marston Associates, And 7) Willdan Financial Services In An Amount Not To Exceed Five Hundred Thousand Dollars (\$500,000) For Each Firm.

OUTCOME

Approving the proposed resolution will authorize the awarding, negotiation, and execution of professional services agreements with seven firms to provide economic consulting services for projects throughout the City. The City Administrator or designee will be authorized to enter into these agreements for an amount not to exceed \$500,000. These agreements will allow for various economic development related services, such as financial, economic and real estate consulting services, to be delivered in an efficient and timely manner; staff will not be required to issue separate, individual requests for proposals for upcoming projects or studies. These on-call agreements are a proactive measure that will allow for economic consultant services for future projects, studies, or similar needs where associated funding sources may not yet be identified. Approval of the proposed resolution will not result in additional appropriation of funds. All services will be funded through appropriations within the various individual projects. Actual expenditures must be approved through the requisite appropriations process.

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EXECUTIVE SUMMARY

The professional services agreements are needed to provide economic consultants for financial, economic and real estate consulting services for various City projects. The selected consultants have demonstrated an expertise in economic analysis, finance, and real estate transactions pertaining to redevelopment and economic development. The proposed agreements are for a three-year term, with three one-year options to extend the agreements.

BACKGROUND

The Economic and Workforce Development Department (“EWD”) works to bring about a vibrant, innovative, globally competitive economy to Oakland. The various divisions within EWD have historically demonstrated a need for economic consultants to provide services.

Current examples of the projects that the City requires the services of economic consultants include: Coliseum Transit Village Phase I; 1911 Telegraph development project; Coliseum City; Fruitvale Transit Village Phase II; MacArthur Transit Village; Seminary Point commercial development project; and many others. As EWD staff are projected to require economic consultant services on these and other future development projects, neighborhood studies, feasibility analyses and other currently unidentified efforts, a need for on call economic consultant services is evident.

Consultant Selection

A Request for Qualifications (“RFQ”) for as-needed economic consultants was released by staff on Wednesday, April 15, 2015. A pre-submittal conference was held on Tuesday, April 28, 2015 by EWD and Contract Compliance staff to present the necessary requirements for a proper response to the RFQ, as well as allow attendees to submit any questions regarding the process. Responses to all questions were issued as addenda and disseminated through the City’s iSupplier service by Friday, May 8, 2015. Nine submittals were received by the Contract Compliance Office by 3:00 pm, Friday, May 15, 2015.

Each consultant team (which includes the prime consultant and all associated sub-consultants) was evaluated based upon their qualifications and experience in the following areas:

- Pro Forma Analysis and Review
- Real Estate Market and Feasibility Studies
- Financing Plans
- Highest and Best Use Analysis
- Similar to Section §33433 Summary Reports under Government Code Section 52201, including Cost to City and Reuse Appraisal
- Parking Studies (feasibility, demand and pricing analysis)

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- Parking Construction Estimates
- Fiscal Impact Analysis
- Public Financing Analysis
- Affordable Housing Analysis
- Establishing the value of a ground lease or sale of public property
- Evaluation of options for land disposition or ground lease business terms and City financial participation in development projects
- Financing of public infrastructure
- Participate in discussions, negotiations, and presentations with developers and community officials
- Preparation of economic development and business development strategies
- Industry cluster analysis and strategy implementation (retail, food processing, green/clean tech, health services/life sciences, digital media)
- Business incentives negotiation and financial analysis for business attraction, retention, and expansion

One bonus point each was also issued for consultant teams that included the following components:

- Design firm (capable of performing fit tests related to economic feasibility)
- Parking consultants
- Construction firm (capable of evaluating construction cost estimates)

The RFQ identified the method with which the submittals were evaluated by staff: Technical Expertise – 30 points; Professional Experience – 30 points; Project Experience – 20 points; Project Approach and Organization – 10 points; Quality and Completeness of Submittal – five points; and Local/Small Local Certified Business Participation – five points.

The maximum possible score of a submittal was 107.5, as Contract Compliance issued up to an additional five points for Oakland Resident Workforce percentage and up to an additional two and a half 2.5 points for meeting City criteria for years in Oakland.

The RFQ stated that staff would evaluate all responsive statements, and depending upon the number of responses a shortlist of the respondents may be selected for an interview. The final scoring was determined by both the written submittal and interview: the written submittal contributed 60 percent of the final score and the interview comprised the remaining 40 percent.

Each member of the panel evaluated the nine written proposals and scored along the identified criteria. The average score of the panel was taken to give each team a final score for the proposals. Seven of the nine teams scored an average of at least 80 (out of the possible 107.5) points and those seven were selected for the interview process.

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The interview process consisted of an hour long interview, with 15 minutes for presentation and 45 minutes for questions and answers. Each presentation evaluated the respective team's experience analyzing housing/residential projects and non-residential development projects, as well as their experience working with the City or other local government agencies. The question-and-answer session focused in more detail on the team's experience, availability, and competitiveness. The selection panel scored each team's interview and once again the average score of the panel was used to produce the final interview score. All seven of the interviewed teams scored at least 80 out of 100 possible points.

ANALYSIS

Staff reviewed the proposal and interview scores to make the final selection for the on-call consultant pool. Once the final proposal and interview scores were adjusted according to the RFQ process (with the proposal points contributing towards 60 percent of the final score and the interview points contributing towards the remaining 40 percent of the final score), all seven of the economic consultant teams scored relatively high across the board. In addition, the final adjusted scores of the seven teams fell within a maximum of 5.7 points from one another. In other words the highest-overall scoring team scored 5.7 more points than the lowest-overall scoring team.

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.

The contract dollar amount limits were set to provide staff with maximum flexibility. The contracts will not guarantee a minimum amount of work to any of the selected consultants, nor will they guarantee an associated minimum amount of payment. Due to the \$500,000 contract amount, staff will be able to select firms that continue to provide effective and efficient service over the three-year contract period. The City Administrator, or their designee, will have the option to extend the initial 3-year term up to three times, for up to one-year per extension.

The economic consultant service tasks will be assigned in a way that is most conducive to the requirements of the specific project or need. One assignment method would be a type of "micro-bid" process that allow staff to issue project descriptions on a project-by-project, as-needed basis, to the firms under contract that specialize in that particular aspect of economic consulting (example: reuse appraisal) requesting a written proposal and cost estimate necessary to complete the work. Staff would select the firm that had the preferred proposal and cost estimate. Another possible assignment method would allow for the option to select a firm based upon previous familiarity with an ongoing project, likely resulting in a quicker turnaround and lower cost (example: a firm that provided a pro forma analysis of a project could be selected for a follow up task of analyzing DDA terms) due to less of a learning curve for the consultant.

Staff will not be obligated to select a firm that may not be the best fit for a particular task, but instead can use its discretion to best utilize the pool of available consultants.

By entering into professional service agreements with these seven firms for a maximum of \$500,000 dollars over a three-year term, with three one year options to extend, staff will be able to assign the most qualified and cost-efficient consultant to any potential economic project, service or assignment.

PUBLIC OUTREACH/INTEREST

The RFQ was distributed via the City's iSupplier service, via the Contract Compliance Office. The RFQ was also formally advertised in the Oakland Tribune.

COMPLIANCE ANALYSIS

On Friday May 15, 2015, City Contract Services received nine proposals. 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. Six respondents are in compliance with the Equal Benefit Ordinance (EBO). All selected firms are required to be EBO compliant prior to contract execution.

COORDINATION

The City Attorney's Office and Controller's Bureau were consulted for this report and provided feedback and guidance. The RFQ process was coordinated with the Contract Compliance office.

COST SUMMARY/IMPLICATIONS

Each agreement will be for an amount not to exceed \$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 be funded by local, regional, State, and Federal sources, as well as various other grant sources, committed to specific projects. One source of funding will come from budgets for projects identified in the former Redevelopment Agency's Redevelopment Property Tax Trust Fund (RPTTF) and Bond Spending Plan. 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.

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1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: Contract authority for seven, \$500,000 contracts will be issued for a total of three and one half million dollars. 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.
2. COST ELEMENTS OF AGREEMENT/CONTRACT: The maximum potential cost as a result of all contracts could be \$3,500,000. The total amount would be dependent upon the use of the services over the contracts' lifespan.
3. 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.
4. FISCAL IMPACT: No direct Fiscal Impact is anticipated via this process. Each individual project will identify their associated fiscal impact through the appropriations process.

SUSTAINABLE OPPORTUNITIES

Economic: This report and its requested actions do not directly provide any specific sustainable economic opportunities. Indirectly, the economic consultant services could provide assistance on projects throughout Oakland that would 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.

Social Equity: This report and its requested actions do not directly provide any specific sustainable social equity opportunities. Indirectly, the economic consultant services could 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.

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

Respectfully submitted,



Mark Sawicki, Director Economic and
Workforce Development Department

Reviewed by:

Patrick Lane, Acting Manager
Project Implementation Division
and

Larry Gallegos, Area Manager
Project Implementation Division

Prepared by:

Kimani Rogers, Urban Economic Analyst
Project Implementation Division

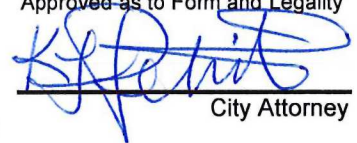
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FILED
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OAKLAND CITY COUNCIL

Approved as to Form and Legality



City Attorney

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR, OR DESIGNEE, TO AWARD, NEGOTIATE, AND EXECUTE PROFESSIONAL SERVICES AGREEMENTS FOR THREE YEAR TERMS, WITH THREE ONE YEAR OPTIONS TO EXTEND, FOR ON-CALL ECONOMIC CONSULTANT SERVICES WITH THE FOLLOWING SEVEN FIRMS: 1) AECOM, 2) CENTURY URBAN, LLC 3) DAVID PAUL ROSEN & ASSOCIATES, 4) ECONOMIC & PLANNING SYSTEMS, 5) HAUSRATH ECONOMICS GROUP, 6) KEYSER MARSTON ASSOCIATES, AND 7) WILLDAN FINANCIAL SERVICES IN AN AMOUNT NOT TO EXCEED FIVE HUNDRED THOUSAND DOLLARS (\$500,000) FOR EACH FIRM.

WHEREAS, the Economic and Workforce Development Department (“EWD”) staff conducts economic, financial and real estate analyses for properties that the City of Oakland (“City”) and Oakland Redevelopment Successor Agency (“ORSA”) own, plan to acquire, assist with the development of or dispose of; and

WHEREAS, EWD staff desires to have outside consulting services available on an as-needed basis to assist with select City projects that involve expertise in economic, financial and real estate matters; and

WHEREAS, EWD staff anticipates that several projects currently underway, including, but not limited to, 1911 Telegraph and Fruitvale Transit Village Phase II, will utilize the on-call economic consultant services; and

WHEREAS, EWD staff anticipates that mid-year projects will also arise throughout the three-year period which may require on-call economic consultant services; and

WHEREAS, on-call economic consulting services will be funded through the various individual projects and funds will be identified prior to the performance of the on-call services; and

WHEREAS, through the City’s Request for Qualifications process, seven firms meet the requirements for on-call economic consulting services; and

WHEREAS, the seven firms have met the City’s 50% Local/Small Local Business Enterprises (LBE/SLBE) Program requirements; and

WHEREAS, six of the seven firms have been determined to be in compliance with the Equal Benefits Ordinance (EBO), and the remaining firm will be EBO compliant prior to contract execution; and

WHEREAS, the City Council finds that the agreements shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore be it

RESOLVED: That the City Council authorize the City Administrator to award, negotiate and execute a Professional Services Agreement (“PSA”)with the following seven firms for the provision of on-call economic Consultant services: 1) AECOM, 2) Century Urban, LLC., 3) David Paul Rosen & Associates, 4) Economic & Planning Systems, 5) Hausrath Economics Group, 6) Keyser Marston Associates, and 7) Willdan Financial Services (collectively, the “Seven Firms”); and be it

FURTHER RESOLVED: That the total amount of the PSA for each of the Seven Firms shall be for an amount not-to-exceed Five Hundred Thousand Dollars \$500,000; and be it

FURTHER RESOLVED: That the term of each PSA shall be for three (3) years with three optional one-year extensions; and be it

FURTHER RESOLVED: That the City Administrator, or designee, is hereby authorized to approve any subsequent amendments to or extensions of said PSAs with the exception of those related to an increase in total compensation or the allocation of funds, provided that such amendments or extensions shall be approved for form and legality by the City Attorney and a copy shall be kept on file with the City Clerk; and be it

FURTHER RESOLVED: That the PSAs shall be approved for form and legality by the City Attorney, and a copy shall be kept on file with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2015

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and
PRESIDENT GIBSON McELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California