



**September 5, 2019**

**To:** Regional Planning and Highways Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Consultant Selection for On-Call Real Property Appraisals and Related Services

### **Overview**

On April 22, 2019, the Orange County Transportation Authority Board of Directors authorized the issuance of a request for proposals for consultants to provide on-call real property appraisals and related services for highway, environmental mitigation, commuter rail, and transit projects. Proposals were solicited in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services. Board of Directors' approval is requested to execute the agreements.

### **Recommendations**

- A. Approve the selection of Hendrickson Appraisal Company, Inc., Hennessey and Hennessey, LLC, Integra Realty Resources – Los Angeles, and R.P. Laurain & Associates, Inc., as the firms to provide on-call real property appraisals and related services in the aggregate amount of \$3,500,000.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-0995 between the Orange County Transportation Authority and Hendrickson Appraisal Company, Inc., as the firm to provide on-call real property appraisals and related services for a five-year term.
- C. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-1473 between the Orange County Transportation Authority and Hennessey and Hennessey, LLC, as the firm to provide on-call real property appraisals and related services for a five-year term.

- D. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-1474 between the Orange County Transportation Authority and Integra Realty Resources – Los Angeles as the firm to provide on-call real property appraisals and related services for a five-year term.
- E. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-1475 between the Orange County Transportation Authority and R.P. Laurain & Associates, Inc., as the firm to provide on-call real property appraisals and related services for a five-year term.

### ***Discussion***

The Orange County Transportation Authority (OCTA) requires on-call consultants to provide real property appraisals and other related services necessary for public transportation projects involving roadways, highways, freeways, railroad corridors, commuter rail, transit services, land conservation for environmental mitigation, and OCTA-owned facilities. The consultants will also be required to provide additional services in such disciplines as loss of business goodwill, furniture, fixtures, machinery and equipment, appraisal review, and expert witness.

The appraisal process is necessary to determine the fair market value of the properties and to ensure that all property owners are treated fairly and equitably. The appraisal process is also one of the first steps necessary to initiate the real property acquisition process. Services will be utilized on an as-needed basis.

### ***Procurement Approach***

This procurement was handled in accordance with OCTA's Board of Directors (Board)-approved procedures for professional and technical services. Various factors are considered in an award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal, considering such factors as staffing and project organization, prior experience with similar projects, approach to work plan, as well as cost and price.

On April 22, 2019, the Board authorized the release of Request for Proposals (RFP) 9-0995 which was issued electronically on CAMM NET. The project was advertised in a newspaper of general circulation on April 22 and April 29, 2019. A pre-proposal conference took place on May 1, 2019, with seven attendees representing seven firms. Four addenda were issued to make available the pre-proposal conference presentation and registration sheets, provide responses to questions received, and handle administrative issues related to the RFP.

On May 21, 2019, 13 proposals were received. An evaluation committee consisting of staff from OCTA's Contracts Administration and Materials Management, Real Property, and Rail Programs departments, and the California Department of Transportation (Caltrans) met to review the responsive proposals. The proposals were evaluated based on the following evaluation criteria and weights:

- |                                     |            |
|-------------------------------------|------------|
| • Qualifications of the Firm        | 30 percent |
| • Staffing and Project Organization | 25 percent |
| • Work Plan                         | 20 percent |
| • Cost and Price                    | 25 percent |

Several factors were considered in developing the criteria weights. Staff assigned the greatest importance to qualifications of the firm to emphasize the importance of the firm demonstrating experience in performing a variety of right-of-way (ROW) appraisal work. Staffing and project organization was assigned a weight of 25 percent to emphasize the staff's understanding of, and experience in, performing real property appraisals and a variety of related appraisals. Cost and price was weighted at 25 percent to ensure hourly rates remain competitive. The work plan was weighted the lowest at 20 percent, as each contract task order (CTO) issued will define the specific scope of work. However, it is still important that each firm demonstrates its understanding of the potential projects.

The procurement sought to establish a pool of qualified firms to perform work in conformity with OCTA's Real Property Department Policies and Procedures manual and in accordance with the Caltrans ROW manual. Once the pool of qualified firms is established, specific work assignments will be awarded by CTO on a competitive basis, in accordance with OCTA's procurement policy.

The evaluation committee reviewed and discussed all responsive proposals based on the evaluation criteria and short-listed the five most-qualified firms listed below in alphabetical order:

Firm and Location

Hendrickson Appraisal Company, Inc. (Hendrickson)  
San Diego, California

Hennessey & Hennessey, LLC (Hennessey)  
Tustin, California

Integra Realty Resources – Los Angeles (IRR-LA)  
Encino, California

Kiley Company (Kiley)  
Irvine, California

R.P. Laurain & Associates, Inc. (Laurain)  
Long Beach, California

On June 25, 2019 and July 1, 2019, the evaluation committee interviewed the five short-listed firms. The interviews consisted of a presentation allowing each firm to present its qualifications, highlight its personnel, and respond to evaluation committee questions. In general, each team's presentation addressed the requirements of the RFP, highlighted the project team's experience in working on related projects, its staffing plans, and stressed the firm's commitment to the success of the project. Each firm was asked some general questions related to previous experience with appraisal work, knowledge of the Caltrans ROW manual, the qualifications and role of the firm's subconsultants, ability to complete task orders, and quality control procedures. After considering the responses to the questions asked during the interview, the evaluation committee adjusted the preliminary scores for all five firms, which resulted in a change to the ranking. However, the evaluation committee found all five firms highly qualified to perform the requested services.

Based on the final scores as well as the evaluation of the written proposals and information obtained from the interviews, the evaluation committee found all five firms qualified for award. Following the interviews, OCTA was notified that part-owner of IRR-LA, which is one of the short-listed firms, purchased Kiley. This change in ownership and consolidation of Kiley will result in only four of the five short-listed firms being recommended for award.

#### Qualifications of the Firm

The four recommended firms have been in business for an average of 32 years with offices located in Southern California. The firms demonstrated a predominant focus on performing various appraisal work for public agencies. All four firms demonstrated the qualifications and relevant experience by describing past experience performing similar work, including appraisals and appraisal review services for roadway, highway, and railroad projects, in addition to specialty areas such as open space land, conservation land, and special-purpose property projects. The four firms are currently or have previous experience on a bench contract, providing on-call appraisal services for OCTA, San Diego Association of Governments, and Caltrans.

### Staffing and Project Organization

All four firms proposed qualified staff with experienced project teams that have extensive appraisal experience. The project managers proposed have a minimum of 30 years of appraisal experience specializing in work for public agencies, including appraisals for residential, commercial, special-use properties, large infrastructure projects, and biologically sensitive habitats. In addition, all four firms proposed well-qualified teams of subconsultants to provide real estate appraisals, goodwill valuation and furniture, and fixtures and equipment appraisals. The firms emphasized ability to ensure the necessary staffing levels will be available to propose and complete CTOs when needed.

### Work Plan

The work plan proposed by each of the four firms provided a detailed outline to the appraisal process to demonstrate the firms' understanding and ability to complete the typical CTO work assignments that are anticipated under this agreement. The firms emphasized compliance with the Uniform Standard Professional Appraisal Practice for all projects and, where applicable, the Caltrans ROW manual. Each firm detailed the quality control/quality assurance practices utilized to ensure projects are completed on time and within budget.

### Cost and Price

Cost was weighted 25 percent of the overall score. All firms provided labor pricing for work identified in the scope of work and for the entire term of the agreement. Pricing scores were based on a formula which assigned the highest score to the firm with the lowest-weighted average hourly rate, and scored the other proposals' weighted average hourly rates based on the relation to the lowest-weighted average hourly rate. The firms' average fully-burdened hourly rates ranged from \$207 to \$302, and are considered fair and reasonable in comparison to the independent cost estimate.

### Procurement Summary

Based on the evaluation of the written proposals and information obtained during the interviews, the evaluation committee recommends award to Hendrickson, Hennessey, IRR-LA, and Laurain as the top-ranked firms to provide on-call real property appraisals and related services.

These firms all proposed a team of qualified staff and subconsultants, have prior experience performing similar services for public agencies, and are familiar with Caltrans requirements in relation to appraisal services. The firms

demonstrated a clear understanding of the project requirements and are capable of supporting OCTA's needs.

The firms presented detailed and thorough interviews, supporting the firms' experience, staffing, work plan, and a complete understanding of the overall project requirements.

#### **Fiscal Impact**

The project is included in OCTA's proposed Fiscal Year 2019-20 Budget, Capital Programs Division, Account 0017-M0201-F17-7514, and utilizes a combination of Federal Highway Administration, Federal Transit Administration, and local funds.

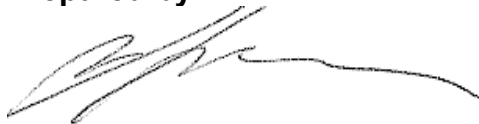
#### ***Summary***

Staff requests Board of Directors' approval for the Chief Executive Officer to negotiate and execute agreements with Hendrickson Appraisal Company, Inc., Hennessey & Hennessey, LLC, Integra Realty Resources – Los Angeles, and R.P. Laurain & Associates, Inc., as the firms to provide on-call real property appraisals and related services, in the aggregate amount of \$3,500,000, for a five-year term.

***Attachments***

- A. Review of Proposals, RFP 9-0995 On-Call Real Property Appraisals and Related Services
- B. Proposal Evaluation Criteria Matrix (Short-Listed), RFP 9-0995 On-Call Real Property Appraisals and Related Services
- C. Contract History for the Past Two Years, RFP 9-0995 On-Call Real Property Appraisals and Related Services

**Prepared by:**



Joe Gallardo  
Manager, Real Property  
(714) 560-5546



Virginia Abadessa  
Director, Contracts Administration and  
Materials Management  
(714) 560-5623

**Approved by:**



James G. Beil, P.E.  
Executive Director, Capital Programs  
(714) 560-5646