



March 23, 2020

To: Members of the Board of Directors *[Handwritten signature: Kenneth R. [unclear] for]*

From: Darrell E. Johnson, Chief Executive Officer

Subject: Approval to Release Request for Proposals for On-Call Commercial Real Estate Brokerage Services

Overview

The Orange County Transportation Authority has developed a request for proposals to initiate a competitive procurement process to retain a consultant for on-call commercial real estate brokerage services for leasing and disposition of anticipated excess land owned by the Orange County Transportation Authority. Staff is seeking Board of Directors' approval to release the request for proposals to select a firm to perform the required work.

Recommendations

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 0-2160 for selection of consultant services for on-call commercial real estate brokerage services.
- B. Approve the release of Request for Proposals 0-2160 for on-call commercial real estate brokerage services.

Discussion

The Orange County Transportation Authority (OCTA) is the owner of various parcels of improved and vacant land in the existing property inventory or will acquire inventory as part of capital improvement projects. Due to the number of anticipated future vacant and improved parcels not needed for OCTA's use (excess land), staff recommends the use of a commercial real estate brokerage consultant to provide its services to lease and/or dispose of excess land. OCTA may also require the need to investigate real estate market conditions to acquire properties for OCTA use.

Future anticipated excess land will result primarily from OCTA's freeway widening projects, including the Interstate 405 (I-405) Improvement Project between State Route 73 (SR-73) to Interstate 605, State Route 91 Improvement Project between Interstate 5 (I-5) and State Route 57, State Route 55 Improvement Project between I-405 and I-5, and I-5 Improvement Project between SR-73 and El Toro Road. Staff has identified 15 potential properties that may need to be sold as excess over the next five years; however, the total number of excess parcels is still to be determined. OCTA also anticipates commercial brokerage services may be required to service various transit projects. Improved parcels may include commercial, retail, industrial, and office facilities, which will require marketing and lease or license agreements to maximize the property values prior to sale.

Commercial real estate brokerage services shall include, but are not limited to, conduct market analysis, lease and sale of excess land and facilities, advisory services, and conduct negotiations on behalf of OCTA with potential renters and buyers. Compensation for real estate brokerage services will be based upon a commission rate applied to the gross sales price achieved for each separate lease agreement or parcel sale. The estimated values for potential property sales currently identified is approximately \$50,000,000, plus the amount of potential rent that will be received through lease agreements. The total commissions to be paid will likely exceed \$1,000,000.

Procurement Approach

The OCTA procurement policies and procedures require that the Board of Directors (Board) approve all request for proposals (RFP) over \$1,000,000, as well as approve the evaluation criteria and weightings. Staff is submitting for Board approval the draft RFP and evaluation criteria and weightings, which will be used to evaluate proposals received in response to the RFP. The recommended evaluation criteria and weightings are as follows:

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

The evaluation criteria are consistent with criteria developed for previous procurements for real estate brokerage services. Several factors were considered in developing the criteria weights. Staff assigned the greatest level of importance to the qualifications of the firm and cost and price. The qualifications of the firm are important because a firm's corporate experience in a broad range of real estate commercial brokerage services is essential to effective performance. Cost and price will be reviewed to ensure services are competitive and reasonable. Staffing and project organization is also important

to ensure that the proposed staff are qualified across multiple functions and available to perform the services required. The work plan criterion will be used to review the firm's understanding of potential projects and any anticipated challenges.

The term of this agreement will be a three-year initial term with one, two-year option term.

This RFP will be released upon Board approval of these recommendations.

Fiscal Impact

Funding for this project is not included in OCTA's Fiscal Year 2020-21 Budget. The funds for payment for this procurement shall be deducted from the proceeds received from the lease revenue and sales revenue of the specific program related to each OCTA-owned parcel and/or facility.

Summary

Board approval is requested to release RFP 0-2160 for On-Call Commercial Real Estate Brokerage Services.

Attachment

- A. Draft Request for Proposals (RFP) 0-2160, On-Call Commercial Real Estate Brokerage Services

Prepared by:



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

Approved by:



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



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