



September 10, 2025

To: Finance and Administration Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Agreement for Property Management Services

Overview

On May 27, 2025, a request for proposals was issued for professional property management services to support the Orange County Transportation Authority's future headquarters located at 2677 North Main Street in the City of Santa Ana. Board of Directors' approval is requested to authorize the execution of an agreement for property management services.

Recommendations

- A. Approve the selection of Lincoln Property Company as the firm to provide property management services.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4109 between the Orange County Transportation Authority and Lincoln Property Company, in the amount of \$999,170, for an initial term of three years with a three-year option term to provide property management services.

Discussion

On October 25, 2024, the Orange County Transportation Authority (OCTA) completed the acquisition of the property located at 2677 North Main Street, Santa Ana, California. This 4.6-acre site will serve as the future administrative headquarters for OCTA and includes a ten-story office tower encompassing 220,453 square feet of office space, a five-story parking structure, and an additional surface parking lot.

The property currently accommodates 16 tenants and is supported by 17 service contracts for ongoing operations and maintenance. As the property owner, OCTA has assumed responsibility for all existing tenant lease agreements and service contract obligations. To provide property management continuity at the

time of purchase, the Board of Directors (Board) approved retaining the existing property manager for a period of one year after the acquisition of the property. This contract will expire on October 25, 2025, and OCTA has conducted a competitive procurement to secure property management services going forward. The property manager will support OCTA in overseeing tenant relations, contract administration, property management, facility maintenance, and day-to-day operations.

Procurement Approach

This procurement was handled in accordance with OCTA's 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 prior experience with similar projects, staffing and project organization, work plan, as well as cost and price.

On May 27, 2025, Request for Proposals (RFP) 5-4109 was issued electronically on CAMM NET. The project was advertised in a newspaper of general circulation on May 27 and June 2, 2025. A pre-proposal conference was held on June 3, 2025, with 11 attendees representing six firms. Four addenda were issued to make available the pre-proposal conference registration sheets and presentation, provide responses to written questions received, and handle administrative issues related to the RFP.

On June 24, 2025, six proposals were received. A review of all technical and/or contractual exceptions and deviations submitted by proposing firms was conducted. Two proposals were deemed non-responsive and were eliminated from evaluation due to one firm's failure to retract contractual exceptions and deviations and the other firm's failure to provide missing information and required documents.

An evaluation committee consisting of staff from Contracts Administration and Materials Management, General Services, Express Lanes Programs, Information Systems, Health, Safety, and Environmental Compliance, as well as Accounting and Financial Reporting departments met to review the proposals.

The proposals were evaluated based on the following evaluation criteria and weightings:

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

Several factors were considered in developing the evaluation criteria weightings. Qualifications of the firm was weighted at 25 percent to evaluate each firm's experience managing properties of similar scope, size, and complexity. Staffing and project organization was weighted highest at 30 percent to ensure that the proposed team demonstrate relevant experience and have the required credentials and are available to perform the services requested. The work plan was weighted at 20 percent to evaluate the firm's understanding of OCTA's day-to-day operational needs and their proposed approach to tenant engagement, risk management, and anticipated challenges. Cost and price was weighted at 25 percent to ensure that the services provided are competitive and reasonably priced.

The evaluation committee met on July 7, 2025, and reviewed the four responsive proposals received based on the evaluation criteria and short-listed the three most qualified firms listed below in alphabetical order:

Firms and Locations

Lincoln Property Company (Lincoln)
Headquarters: Dallas, Texas
Project Office: Newport Beach, California

The Muller Company (Muller)
Headquarters: Irvine, California
Project Office: Orange, California

Total Commercial Real Estate, Inc. (TCRE)
Headquarters: Redondo Beach, California
Project Office: Redondo Beach, California

On July 17, 2025, the evaluation committee interviewed the three short-listed firms. The interviews consisted of a presentation to demonstrate the firms' understanding of OCTA's requirements. The firms' project managers and key team members had an opportunity to present qualifications and respond to the evaluation committee's questions. Questions were related to each firm's

proposed management team's experience, the breakdown and structure of their fees, the tools and technologies they would use to support the requested services, and their approach to contract procurement.

At the conclusion of the interviews, a request for a best and final offer (BAFO) was issued to the three firms to offer the opportunity to adjust pricing for the required services based on scope of work clarifications made by OCTA related to banking and cash management services the consultant would be providing. Based on the evaluation of the written proposals, the firms' qualifications, the proposed pricing, as well as information obtained from the interviews and BAFOs, the evaluation committee recommends Lincoln for consideration of the award. The following is a summary of the proposal evaluation results.

Qualifications of the Firm

Lincoln, founded in Dallas, Texas in 1965, is a full-service real estate firm with 60 years of experience in development, property management, leasing, and investment services. The company operates in 35 U.S. markets with a workforce of 2,953 employees and has offices in Southern California. In Orange County, Lincoln manages over 12.3 million square feet of property, supported by a team of more than 120 full-time staff. The firm has extensive experience working with public agencies and managing government-occupied and mixed-use properties, including work with the Transbay Joint Powers Authority in San Francisco and the City of Anaheim. Lincoln provided property management, leasing, and construction management services at the Anaheim Regional Transportation Intermodal Center in the City of Anaheim and supported the city's operational objectives while ensuring compliance with federal requirements related to the use of federal funding. While Lincoln has not contracted directly with OCTA, it currently manages OCTA-occupied property and is familiar with OCTA's operational systems and requirements. During the interview, the firm delivered a comprehensive presentation that highlighted its experience across key areas of the scope of work, including property, lease, and construction management, as well as its capabilities in procurement, solicitation of contracts, and familiarity with public contract codes and regulatory standards. The firm received positive responses from its references.

Muller, established in 1979 and based in Irvine, California, specializes in commercial real estate investment, development, and management. The firm has 50 direct employees at its corporate office with additional staff located in various management offices throughout the southwest. Muller has managed over 30 million square feet of office, medical, industrial, and retail properties across California, Arizona, and Utah, and has experience working with public

agencies. The firm has provided acquisition and construction management services to the Los Angeles County Metropolitan Transportation Authority and property management services to the Orange County Sanitation District. Muller previously owned and is the current property manager for OCTA's future administrative headquarters building, where it maintains LEED and ENERGY STAR certifications. The firm demonstrated familiarity with sustainability standards as well as its direct knowledge of the building and its tenants. While Muller has demonstrated experience with government clients and core real estate functions, the firm acknowledged during the interview that it is still becoming familiar with certain public sector requirements, including procurement processes and prevailing wage obligations which are required in the scope of work and an essential component for ensuring compliance and proper oversight of contracted services. Muller received positive responses from its references.

TCRE, founded in 1980 and incorporated in 2010, is a certified Small Business Enterprise based in Redondo Beach, California. The firm has 27 staff members, 17 on-site, and offers full-service property and facilities management, including tenant relocation and buyout negotiations, lease and license administration, and on-site operations. The firm operates entirely in-house, without outsourcing any functions. TCRE has experience delivering property, leasing, and construction management services for projects of comparable size and scope, including work with the Los Angeles Department of Water and Power (LADWP). Currently, LADWP is undergoing a major renovation of its headquarters, where TCRE is providing ongoing property management, overseeing lease terminations, and coordinating communication and access between tenants and construction teams. Other projects include the facility leasing and renovations at the Los Angeles Fire and Police Pensions Fund Headquarters and property management, acquisition, and tenant relocation program at the Los Angeles World Airport. The firm's experience is concentrated in the Los Angeles region with limited experience providing these services within Orange County. TCRE received positive responses from its references.

Staffing and Project Organization

Lincoln proposed a project team with directly relevant experience. The proposed Senior Property Manager has seven years of experience in commercial property management and at the firm, and would be responsible for day-to-day operations, including tenant care, fiscal oversight, vendor performance, cost-saving strategies, and client communications. The proposed assistant property manager has five years of relevant experience in real estate and property management from previous roles and has been with Lincoln for one year. Both team members are proposed to allocate 50 percent of their time to the OCTA assignment and are available as needed. Accounting services would

be provided by a dedicated property accountant assigned specifically to the OCTA project, under the oversight of Lincoln's centralized accounting department based in Orange County. Lincoln demonstrated proficiency in industry-standard property management and accounting platforms such as Yardi, MRI, and Kardin, enabling timely, accurate, and transparent financial reporting.

Muller proposed a team with direct familiarity with OCTA's future headquarters. The proposed property manager is a Certified Property Manager and LEED Green Associate with over 17 years of experience at the firm. This individual currently manages the building and would serve as the primary point of contact, with a proposed 30 percent allocation to the assignment. Supporting the property manager includes an assistant property manager with two years of experience at Muller and in the real estate industry, and an accounts receivable clerk. Although the team demonstrated knowledge of the property and operations, the proposal did not highlight or detail the proposed team's experience in other areas of the scope of work, such as lease administration, construction management, and contract procurement which are crucial to OCTA's future plans for the building.

TCRE proposed an experienced management team which includes three key personnel: a chief executive officer and principal, a chief operations officer and principal, and a property manager. Each key personnel has more than 20 years of experience in real estate. According to the proposal, all three key personnel would be directly involved in most aspects of property management and day-to-day operations and would collectively serve as OCTA's points of contact. During the interview, the firm was asked to describe the staffing plan, organizational structure, and strategies to ensure consistent service, responsiveness, and scalability. TCRE emphasized a "team approach" where inquiries and responsibilities are shared among the key personnel. Communications would need to be addressed to all three contacts simultaneously, and responses may vary depending on which team member replies. While this model may offer flexibility and expedite response time, it lacks a clearly defined chain of command or designated lead. Additionally, the proposal did not provide sufficient detail regarding how work or knowledge would be transferred, which can present challenges in accountability, consistency, and efficient communication.

Work Plan

Lincoln presented a comprehensive work plan that addressed the requirements in the scope of work. The work plan includes a detailed four-phase transition and onboarding process tailored to OCTA's operational needs, with clear milestones

for tenant communication, vendor analysis, and regulatory compliance. It also includes plans on sustainability, performance tracking, and client communication. The firm utilizes platforms like WorkSpace and Happy Inspector to track key performance indicators, manage preventative maintenance, and generate inspection reports in real time. Lincoln's proposed strategy also incorporates collaborative leasing support by integrating property managers into leasing tours and maintaining coordination with OCTA's brokerage firm. In addition, Lincoln addresses construction management oversight through an experienced in-house team, led by a director of construction with over 1,000 completed projects. Risk management is addressed through a formal compliance database and ongoing monitoring of insurance, permitting, and contract obligations. Lincoln's work plan is detailed and comprehensive and the firm demonstrated an understanding of the project requirements, constraints, challenges, and risks.

Muller presented a work plan focused on proactive property management, cost efficiency, and alignment with OCTA's strategic goals. Notable elements include the use of Yardi for real-time tracking of work orders, maintenance, and accounting, along with a commitment to competitive vendor bidding, prevailing wage compliance, and sustainability practices that have earned the building LEED Gold and ENERGY STAR certification. While the presence of an existing on-site team would assist in a smooth transition, the proposed work plan did not provide a clear onboarding strategy. The work plan acknowledged the scope of work requirements, but it was general and lacked details on how the firm would perform the required services.

TCRE's work plan centers on its proprietary standard operating practices manual, beginning with a takeover process that includes tenant introductions, notices, and inspections logged in a work order system for OCTA's accounting, followed by preventive maintenance, energy management, compliance, and in-house lease, vendor, and insurance management. The plan references a Deloitte study to address TCRE's risk management approach but provided no explanation or supporting details in either the proposal or the interview. The work plan was general with limited detail on tools or technology beyond Yardi for accounting and reporting. While the firm demonstrated attentiveness to property management, maintenance, and operational issues, including encampment and trespass management, it did not address its approach to performing services in other areas of the scope of work. During the interview, when asked to elaborate on the work plan and the procurement of required service, TCRE provided a broad, generalized response and did not outline a clear and actionable approach.

Cost and Price

Firms were instructed to submit monthly firm-fixed fees for management services, along with percentage-based fees for leasing and construction management services. Cost and price was reviewed by OCTA finance staff who provided a comprehensive analysis of the proposed pricing which is summarized as follows.

Leasing and construction management services are required on an as-needed basis and the fees charged for those services are percentage-based fees tied to the square footage of the lease or construction management service provided. To evaluate pricing for these services, square footage estimates were developed based on anticipated square footage available for leasing and construction management services required over the initial and option terms. Each firm's percentage-based fees for leasing and construction management were then applied to the square footage estimates to determine the cost for leasing and construction management services.

The firm with the lowest weighted total cost was assigned the highest score and the remaining firms were scored proportionally, based on how their total cost compared to this lowest weighted total.

TCRE submitted the lowest-cost proposal; however, the proposed level of effort minimally satisfied the scope of work requirements. While Lincoln's total cost was the highest among the short-listed firms, it was only slightly higher than Muller's proposed price. Lincoln's extensive relevant experience, strong team qualifications, and comprehensive approach to meeting the scope of work were deemed to outweigh the modest price difference. Lincoln also achieved the top overall ranking. As a result, pricing proposed by Lincoln is deemed to be fair and reasonable for the services requested.

Procurement Summary

Based on the evaluation of the written proposals, the firm's qualifications, the information obtained during the interviews, and the BAFO, the evaluation committee recommends the selection of Lincoln as the top-ranked firm to provide property management services. Lincoln delivered a comprehensive proposal and interview that was responsive to all requirements of the RFP.

Fiscal Impact

This project is included in OCTA's Fiscal Year 2025-26 Budget, Finance and Administration Division, Account No. 1293-7519-HQ001-HQ1 and is funded through local funds.

Summary

Based on the information provided, staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Agreement No. C-5-4109 between the Orange County Transportation Authority and Lincoln Property Company, in the amount of \$999,170, for an initial term of three-years with a three-year option term to provide property management services.

Attachments

- A. Review of Proposals, RFP 5-4109 Property Management Services
- B. Proposal Evaluation Criteria Matrix (Short-Listed Firms), RFP 5-4109: Property Management Services
- C. Contract History for the Past Two Years, RFP 5-4109: Property Management Services

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