



**November 4, 2024**

**To:** Regional Transportation Planning Committee

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

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

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is written over the "To:" and "From:" fields of the memo.

**Overview**

On June 10, 2024, 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 all future Capital Programs projects. Board of Directors' approval is requested to select the firms to perform the required work.

**Recommendations**

- A. Approve the selection of R.P. Laurain & Associates, Inc., Santolucito Doré Group, Inc., and Hennessey & Hennessey LLC as the firms to provide on-call real property appraisals and related services in the aggregate amount of \$3,000,000.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-4-2217 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.
- C. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-4-2475 between the Orange County Transportation Authority and Hennessey & 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-4-2476 between the Orange County Transportation Authority and Santolucito Doré Group, 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) is seeking to establish a bench of 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 (goodwill), furniture, fixtures, and equipment (FF&E), 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 one of the first steps necessary to initiate the real property acquisition process. Real property appraisal 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 June 10, 2024, the Board authorized the release of Request for Proposals (RFP) 4-2217 which was issued electronically on CAMM NET. The project was advertised in a newspaper of general circulation on June 10 and June 17, 2024. A pre-proposal conference took place on June 18, 2024, with seven attendees representing five firms. Three 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 July 10, 2024, 13 proposals were received. An evaluation committee consisting of staff from OCTA's Contracts Administration and Materials Management, Real Property, Capital Programs, and Project Development 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 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 weightings. 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 weighting of 25 percent to emphasize the firms' understanding of, and experience performing real property appraisals and a variety of related appraisals. The work plan was weighted the lowest at 20 percent, as each contract task order (CTO) issued under a contract will define the specific scope of work. However, it is still important that the firms demonstrate their understanding of the work involved in potential projects. Cost and price was weighted at 25 percent to ensure hourly rates are competitive and provide value to OCTA.

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 California Department of Transportation (Caltrans) ROW manual. Once the pool of qualified firms is established, specific work assignments will be made via the issuance of CTOs on a rotational basis, in accordance with OCTA's procurement policies and procedures.

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

Epic Land Solutions, Inc. (Epic)  
Headquarters: Torrance, California  
Project Office: San Diego, California

Hendrickson Appraisal Company, Inc. (HAC)  
Headquarters: San Diego, California  
Project Office: San Diego, California

Hennessey & Hennessey, LLC (HLLC)  
Headquarters: Tustin, California  
Project Office: Tustin, California

R.P. Laurain & Associates, Inc. (RPLA)  
Headquarters: Long Beach, California  
Project Office: Long Beach, California

Santolucito Doré Group, Inc. (SDGI)  
Headquarters: Canyon Lake, California  
Project Office: Canyon Lake, California

On August 14, 2024, 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 the evaluation committee's 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 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 responses to the questions asked during the interviews, the evaluation committee adjusted the preliminary scores for all five firms, which resulted in a change to the ranking.

Based on the evaluation of the written proposals and information obtained during the interviews, staff recommends HHLLC, RPLA, and SDGI as the firms to provide on-call real property appraisals and related services. These firms ranked highest amongst the proposing firms based on the teams' relevant experience in real property appraisal services for public agencies. The proposed teams are comprised of highly qualified key personnel with relevant and recent experience. The following is a summary of the proposal evaluation results.

#### Qualifications of the Firm

All short-listed firms are highly qualified and have demonstrated relevant experience providing various appraisal services of similar scope for a number of public agencies. Positive references were received for all firms.

RPLA was founded in 1969 as a professional real estate appraisal services firm with a primary client base of local, state, and federal government agencies. RPLA has eight employees with an office in the City of Long Beach. The firm's recent experience includes completion of the Gerald Desmond Bridge Project with the Port of Long Beach and Caltrans that included five complex appraisal assignments that required multiple appraisal updates with additional easements. RPLA has also prepared various appraisal reports for OCTA, including

assignments impacting properties for the Orange County Flood Control District, Pacific Electric Railroad, the Interstate 5 Improvement Project, and the State Route 91 Improvement Project. These assignments included fee takings, utility easements and temporary construction easements (TCE) with various property types, such as single family, retail, office, and various open space parcels. The firm proposed to utilize two subconsultants to provide FF&E, goodwill, asset appraisals, and litigation consulting services.

HLLC was founded in 1979 as an independent professional firm providing real estate appraisals, appraisal review, and consulting services for both government agencies and private individuals throughout California. HLLC is an Underutilized Disadvantaged Business Enterprise and has three employees with an office in the City of Tustin. The firm's recent experience includes completion of a street abandonment and lot line adjustment project with the City of Anaheim that included 17 appraisals of different property types, including commercial, industrial, and residential use. HLLC has also prepared various appraisal reports for OCTA, including seven partial acquisitions of six industrial properties and one residential apartment complex for the State Route 91 Improvement Project, 11 partial acquisitions of offices, retail, and industrial properties, one hotel property, and three residential apartment complexes for the State Route 55 Improvement Project. The firm proposes to utilize three subconsultants to provide real property appraisals, FF&E, goodwill, asset appraisals, and document preparation.

SDGI was founded in 2015 and provides real estate appraisal, cost estimating, alternative design analysis, full and partial acquisition appraisals and appraisal reviews, litigation support, and expert testimony services. SDGI is a registered Disadvantaged Business Enterprise, Small Business Enterprise, and Woman-Owned Business. SDGI has five employees with an office located in the City of Canyon Lake. The firm's recent experience includes the Jamboree Road and Barranca Parkway Intersection Improvement Project for the City of Irvine that included three appraisals of partial acquisitions. SDGI has worked with OCTA, serving as a subconsultant on the State Route 55 Improvement Project, where work included two appraisals of industrial buildings subject to complex partial acquisitions. SDGI has also worked on multiple projects in Silverado Canyon for the County of Orange, Office of the County Counsel, which included four appraisal reviews subject to roadway easements and TCEs for the Silverado Canyon Road Bridge Replacement Project. The firm proposes to utilize two subconsultants for goodwill and FF&E.

HAC was founded in 1986, providing specialized appraisal and consulting services to public agencies. HAC is a midsize firm with an office in the City of San Diego. The firm's recent experience includes work with OCTA on the State Route 55 Improvement Project in which HAC provided project

management and valuation services for monitoring wells. In addition, HAC performed appraisal work along the Interstate 5, which included appraisal services for seven improved properties and appraisal review services for six parcels. HAC is also currently providing on-call appraisal services for Caltrans and the San Diego Association of Governments. HAC proposed to utilize one subconsultant to provide FF&E and goodwill consulting services.

Epic was founded in 2000 as a full-service real property appraisal and ROW consulting firm. Epic has over 60 employees throughout the firm and is headquartered in the City of Torrance. Epic has performed real estate appraisal for local public agencies, utilities, design engineers, and environmental companies with a focus on the Southern California area. The firm's recent experience includes the Golden Avenue Bridge Replacement and Rehabilitation Project in the City of Placentia where four property appraisals were conducted in addition to TCEs and permanent property acquisitions. Additionally, the firm has worked on the Transit Security and Operations Center Project for OCTA, where the firm provided appraisal review services for the nearby intersection expected to be impacted by the development of Manchester Avenue in the City of Anaheim. The firm proposes to utilize two subconsultants for goodwill and FF&E.

#### Staffing and Project Organization

All firms proposed qualified staff and subconsultants with relevant appraisal experience.

RPLA proposed a project team experienced in providing appraisal services. The proposed project manager, who will also serve as the lead appraiser, has over 30 years of experience specializing in work for public agencies, including multi-property appraisal assignments for street widenings, grade separations, transportation corridor projects, drainage projects with resident, commercial, and special-use property types. The other primary appraiser has over 19 years of experience and has worked closely with the team providing relevant appraisal experience. The firm detailed its staffing plan and noted that it will vary dependent on the type and complexity of assignments. During the interview, the firm emphasized its understanding of the on-call nature of the work and detailed its approach to providing the required staffing and availability for each CTO assignment, including work assigned to the primary appraisers, as well as work assigned to non-key staff such as market research and clerical work.

HHLLC proposed a project team with experience providing appraisal services supported by one key personnel and a team to provide various support services for the appraisal process. The proposed project manager who is also performing as the senior appraiser has over 35 years of experience appraising real

property for numerous public agencies, including OCTA. HHLLC's proposed subconsultant has over 40 years of experience in the industry and over 20 years of experience working with HHLLC. During the interview, the firm demonstrated its understanding of the on-call nature of this work and emphasized the importance of meeting project deadlines and staying within budget. The firm detailed the role of its support team in conducting research and providing support concurrent to the appraisal process in order to remain efficient with time and resources. Additionally, the firm indicated that it will utilize its subconsultant as needed, depending on the size and timing requirements of CTO assignments.

SDGI proposed a knowledgeable project team supported by two key personnel, and three support personnel experienced in appraising and researching. The proposed project manager/principal appraiser has over 18 years of experience and the second principal appraisal has over 40 years of experience both with real estate appraisal and consultation, specializing in public agency and complex appraisal assignments. During the interview, the firm clearly demonstrated its understanding of the on-call nature of the project detailing the various methodologies the firm utilizes to manage its time and resources. Additionally, the firm emphasized its strong working relationship with its proposed subconsultants to be utilized as needed for projects that require additional staffing resources or specific expertise.

HAC proposed a project team with experience completing a variety of appraisal assignments. The proposed project manager, who is also performing as the senior appraiser, has over 18 years of experience in the appraisal industry specializing in local agency appraisals and a wide range of property types from vacant land, commercial, industrial, and residential. The firm's principal has over 38 years of experience, specializing in ROW appraisal services. During the interview, the firm noted its familiarity with the on-call nature of the project and noted that they would not propose on appraisal assignments they did not have the staffing availability to complete.

Epic proposed a team experienced in completing real property appraisal services for public agencies, comprised of two key personnel, one appraiser, and an individual providing support services, including document control and quality assurance. The proposed appraiser has over 36 years of experience, with eight years working for Epic. The senior appraisal coordinator has over 11 years of experience with five years working for Epic and is a licensed Real Estate Salesperson in California. During the interview, the team was assisted by the proposal coordinator in describing its work experience with the proposed subconsultant team and describing its three-tier quality assurance/quality control (QA/QC) practices. Additionally, as the firm is limited to one appraiser, Epic noted that it would not accept CTO assignments if it was not

feasible to deliver on time and budget and emphasized the importance of adhering to the agreement.

#### Work Plan

All short-listed firms met the requirements of the RFP and discussed its approach to providing real property appraisal services.

RPLA provided a comprehensive work plan that demonstrated an understanding of the appraisal process through a detailed description of the requirements necessary to successfully complete the process. RPLA included an in-depth discussion of various aspects of the appraisal process, including items such as issuing a notice of decision to appraise, the property appraisal inspection, market research program, and the review and submittal of the appraisal report. The firm discussed situations in which it would utilize valuation analysis, the sales comparison approach, the cost approach, or the income capitalization approach. Additionally, the firm addressed coordination with specialty appraisers for FF&E and goodwill if needed. During the interview, the firm discussed its recent experience performing appraisals in compliance with the Uniform Standard Professional Appraisal Practice (USPAP) and the Caltrans ROW manual the QA/QC measures utilized to ensure assignments are completed on time and within budget. Additionally, the firm answered a situational question regarding methodology for appraising a corridor with an in-depth discussion of different valuation methods.

HHLLC provided a thorough work plan that demonstrated an understanding of the appraisal process. HHLLC highlighted the steps of a typical appraisal process and included a proposed schedule. Some key steps highlighted by HHLLC included mailing a notice of decision to appraise to the parcel owner(s), providing on-site inspections, conducting market research, and the review and submittal of the appraisal report. During the interview, the firm discussed and referenced its recent experience performing appraisals in compliance with the USPAP and the Caltrans ROW manual. The firm also discussed the QA/QC measures it utilizes to review submittals, so they do not contain inconsistencies or ambiguities to ensure assignments are completed on time and within budget. Additionally, the firm answered a situational question regarding methodology for appraising a corridor with a discussion of utilizing an across the fence methodology.

SDGI provided a detailed work plan that demonstrated an understanding of the appraisal process. SDGI described the steps of a typical appraisal process and highlighted the importance of communication with OCTA's project manager and staff throughout the process. The firm emphasized the importance of capturing the highest and best use of the property to justify the appraisal and analysis of each property appraised and noted its ability to provide an accurate appraisal



report. The firm discussed its QA/QC process and indicated that all submittals will be reviewed, checked, and signed by a certified appraiser. During the interview, the firm discussed its recent experience performing appraisals in compliance with the USPAP and Caltrans ROW manual. Additionally, the firm provided examples of the project tracking sheets and binders that the firm utilizes to minimize errors and help to ensure assignments are completed on time and on budget. Additionally, the firm answered a situational question regarding the methodology for appraising a corridor and noted that most appraisal situations are not a “one size fits all” and emphasized the need to determine highest and best use to identify the most appropriate methodology to utilize.

HAC provided a detailed work plan in which it demonstrated its understanding of the appraisal process. HAC provided an overview of the different aspects required throughout the appraisal process and noted that it performs appraisals in compliance with the USPAP and the Caltrans ROW manual. The firm also provided an anticipated appraisal schedule with an eight-to-nine-week delivery timeline. During the interview, the firm briefly discussed its qualifications and highlighted a few recent projects. When responding to a question regarding its QA/QC process, the firm noted the experience and knowledge of the principal appraiser; however, it did not clearly delineate the difference in responsibilities between the appraiser and individual performing QA/QC on the same assignment.

Epic provided a summarized overview of the typical appraisal process. As a part of its workplan, Epic noted the importance of communication throughout the appraisal process with all stakeholders, including the property owners. The firm detailed coordination with its proposed subconsultants when providing goodwill and FF&E appraisal services. The firm included a sample schedule that outlined the typical time frame for a non-complex and complex real estate appraisal. During the interview, the firm discussed completing appraisal reports in accordance with the USPAP and Caltrans ROW manual, as required by the member appraisal institute designation. When asked about completing projects on time and within budget, Epic discussed splitting work between staff to remain on schedule and described its approach to developing its budget using a flat fee proposed cost; however, CTOs issued against this bench will be time and expense.

#### Cost and Price

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 recommended firms' average

fully-burdened hourly rates ranged from \$201 to \$249 and were competitive with the other shortlisted firms.

#### Procurement Summary

Based on the evaluation of the written proposals and information obtained during the interviews, the evaluation committee recommends award to R.P. Laurain & Associates, Inc., Santolucito Doré Group, Inc., and Hennessey & Hennessey LLC as the top-ranked firms to provide on-call real property appraisals and related services. The firms delivered comprehensive proposals that supported the firms' experience, staffing, work plan, an interview that demonstrated an understanding of the overall requirements, and competitive hourly rates.

#### Fiscal Impact

Funding for this work is included in OCTA's Fiscal Year 2024-25 Budget, Capital Programs Division, Account No. 0017-7514-M0201-F17, and utilizes Measure M2 funds.

#### **Summary**

Staff requests Board of Directors' approval for the Chief Executive Officer to negotiate and execute agreements with R.P. Laurain & Associates, Inc., Santolucito Doré Group, Inc., and Hennessey & Hennessey LLC, as the selected firms to provide on-call real property appraisals and related services, in the aggregate amount of \$3,000,000, for a five-year term.

***Attachments***

- A. Review of Proposals, RFP 4-2217 On-Call Real Property Appraisals and Related Services
- B. Proposal Evaluation Criteria Matrix (Short-Listed), RFP 4-2217 On-Call Real Property Appraisals and Related Services
- C. Contract History for the Past Two Years, RFP 4-2217 On-Call Real Property Appraisals and Related Services

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