



March 14, 2024

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Consultant Selection for Real Property Management Services

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Overview

On October 20, 2023, the Orange County Transportation Authority issued a request for proposals for consultant services to provide real property management services for Orange County Transportation Authority-owned properties. Proposals were received 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 agreement for these services.

Recommendations

- A. Approve the selection of Cal Pacific Land Services, Inc., as the firm to provide real property management services.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-3-2807 between the Orange County Transportation Authority and Cal Pacific Land Services, Inc., as the firm to provide real property management services, in the amount of \$750,000, for a five-year term.

Discussion

The Orange County Transportation Authority (OCTA) Real Property Department staff manages OCTA-owned properties such as the Orange/Olive railroad right-of-way (ROW), the abandoned Pacific Electric railroad ROW, multiple highway-widening projects, and other OCTA-owned properties acquired in support of highway and transit projects.

There are approximately 1,000 licenses related to these properties that require regular monitoring for rent increases, proof of insurance documentation, and property inspections. There is also a continuous need to amend existing licenses

and to negotiate new license terms. OCTA also needs to manage several occupied commercial properties in connection with the Capital Delivery Program. The current contract for these services expires on March 31, 2024. Board of Director's (Board) approval is requested to execute a new agreement to allow for real property management specialized services to continue.

Procurement Approach

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

On October 20, 2023, Request for Proposals (RFP) 3-2807 was issued electronically on CAMM NET. The RFP was advertised in a newspaper of general circulation on October 21 and October 26, 2023. A pre-proposal conference was held on October 30, 2023, with four attendees representing three firms. Three addenda were issued to provide a copy of the pre-proposal registration sheet and presentation, provide responses to questions received, and handle administrative issues related to the RFP.

On November 20, 2023, six proposals were received. An evaluation committee consisting of OCTA staff from Contracts Administration and Materials Management, Real Property, and Rail Capital Programs departments, as well as an external representative from the Southern California Regional Rail Authority, met to review all proposals received. The proposals were evaluated based on the following evaluation criteria and weightings:

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

Several factors were considered in developing the criteria weights. Qualifications of the firm was weighted at 20 percent to ensure that the firm has the capability and experience to complete the project. Staffing and project organization was weighted at 30 percent as the firm must demonstrate the professional qualifications of the project manager and key personnel which are critical to ensure successful project completion. The work plan was weighted at 30 percent to emphasize the importance of the technical approach and understanding of the RFP's requirements in developing timely schedules and

work approach. Cost and price was weighted at 20 percent to ensure that OCTA receives value for the services provided.

On December 18, 2023, the evaluation committee reviewed all proposals based on the evaluation criteria and short-listed the three most qualified firms listed below in alphabetical order:

Firm and Location

Cal Pacific Land Services, Inc. (CPLS)
Headquarters: Garden Grove, California
Project Office: Garden Grove, California

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

Paragon Partners Consultants, Inc. (PPC)
Headquarters: Cypress, California
Project Office: Cypress, California

On January 3, 2024, the evaluation committee interviewed the short-listed firms. The interviews consisted of a presentation allowing each team to present its qualifications, highlight its proposal, and respond to evaluation committee questions. Each firm was asked general questions relative to qualifications, staffing, proposed project organization, and approach to the work plan, as well as specific clarification questions related to each firm's proposal.

After considering responses to the questions asked during the interviews, the evaluation committee reviewed the preliminary ranking and made no adjustments to the preliminary scores. CPLS remained the top-ranked firm with the highest cumulative score.

The short-listed firms were requested to submit a Best and Final Offer (BAFO) at the conclusion of the interviews to address missing price proposal information. Based on the evaluation of the written proposals, information obtained during the interviews, and the BAFO, the evaluation committee recommends CPLS as the top ranked firm to provide real property management services. CPLS ranked highest among the proposing firms because of the tenure and relevant experience in performing real property management services for railroad ROW. The firm demonstrated a clear understanding of the project requirements and presented a comprehensive work plan for tasks that are critical to the success of the project.

The following is a summary of the proposal evaluation results.

Qualifications of the Firm

All three short-listed firms demonstrated relevant experience providing real property management services for other agencies. Positive references were received for all three short-listed firms.

CPLS was founded in 2008. The firm consists of three personnel, including the founder. CPLS is a land services and ROW consulting firm specializing in railroad ROW property management services for public agencies. CPLS has experience providing relevant services, including reviewing licenses, property inspections, determining fair market rent, negotiations, document preparation, and reporting. CPLS currently provides railroad property management services for OCTA and for the ports of Los Angeles and Long Beach, encompassing over 1,500 licenses. Previously, CPLS provided tenant file review and audit services to OCTA for the Los Angeles–San Diego–San Luis Obispo (LOSSAN) Rail Corridor ROW project, and property management to OCTA on an on-call basis as a subcontractor. CPLS proposed one subconsultant to provide title services.

Epic was founded in 2000 and has over 50 real estate and utility professionals at their headquarters in the City of Torrance. Epic is a full-service real property and utility coordination professional services firm. Epic provides program management consultant services for the Riverside County Transportation Commission (RCTC) for active and non-active railroad ROW and miscellaneous property and provided rail ROW property management services for the San Bernardino County Transportation Authority (SBCTA). Epic is responsible for managing over 100 licenses and nearly 300 insurance certifications for RCTC and SBCTA, combined. Some tasks being performed include reviewing licenses, performing site visits, determining market rent, negotiating leases, coordination with rail owners, collection of rent, mapping, and reporting.

Paragon was founded in 1993 and is headquartered in the City of Cypress and has over 100 ROW consultants and support personnel. The firm provides comprehensive ROW, land rights, and project management consulting services to public agencies and private clients. The firm has provided ROW, acquisition, and/or analysis services to OCTA on various projects. The firm currently provides on-call property management and ROW services to the Orange County Sanitation District, and lease management/property management services to the ports of Los Angeles and Long Beach.

Staffing and Project Organization

All short-listed firms proposed experienced project managers, key personnel, and subconsultants with relevant real property management experience.

CPLS proposed a project team that has relevant experience performing real property management activities similar to those required in the RFP. The proposed project manager (PM) has 25 years of experience providing property management services for public agencies, primarily for railroad ROW. The proposed ROW agent has several decades of ROW and real property experience, including eight years with CPLS, and is proposed as the personnel to fulfill the requirement for providing in-house services. The proposed ROW agent's relevant experience includes assessment of fair market rent, rent review and increases, negotiating and revising license agreements, collection of past due rent, tracking and obtaining current insurance certificates, property inspections, preparing notices, tracking rent, and report preparation. Both proposed personnel are currently providing railroad ROW property management services under OCTA's current agreement, and to the ports of Los Angeles and Long Beach. During the interview, the proposed team discussed roles and experience of each personnel and elaborated on the approach to the scope of work (SOW), as well as responding to the evaluation committee's questions regarding availability of personnel.

Epic proposed a team that demonstrated experience performing many of the real property management activities required in the SOW. The proposed PM has 11 years of experience providing property management of railway and rail corridors, including as a PM for on-call property management services for RCTC and railroad ROW property management for SBCTA. The firm's proposal indicated that a site inspector, rather than an ROW agent identified in the RFP, would be provided. The proposed site inspector was proposed as a dedicated field personnel for conducting property inspections and handling utility coordination tasks. The proposed site inspector has three years of relevant experience, including one year with Epic, with relevant experience on the RCTC project. The team has demonstrated experience with various responsibilities related to the services, including management of license agreements, quality control, budgeting, property inspections, and document administrative duties. During the interview, the team responded to the evaluation committee's questions, though some responses were high level and offering little clarity.

Paragon proposed a team that demonstrated experience performing many of the real property management activities required in the SOW. The proposed PM has 35 years of diverse real estate experience, including licenses, document preparation, management of excess land, and management of a real estate team while working at the Los Angeles County Metropolitan Transportation Authority (LA Metro). At LA Metro, the PM's role included management of a real

estate team that provided property management assistance in relation to various light rail projects. Paragon's proposed ROW agent has seven years of experience as a field contractor. The proposed ROW agent was designated as the in-house personnel. During the interview, the team responded to the evaluation committee's questions, with limited participation by the proposed ROW agent.

Work Plan

All short-listed firms met the requirements of the RFP, and each firm adequately discussed its approach to real property management services.

CPLS presented a comprehensive work plan to meet the requirements of the RFP. The proposal demonstrated the firm's understanding of the services, addressed the key responsibilities, and how each would be accomplished. Potential issues and challenges were identified with a description of effective solutions to those issues. CPLS discussed a solution to challenges encountered in establishing fair market rent for short-term licenses, with an added purpose of reducing OCTA's maintenance responsibilities and risk profile. The work plan also described the sometimes-contentious nature of prior rights and public utility use of the ROW along with the approach to deescalating conflict and resolving matters with these entities. The work plan describes tracking insurance certificates and reviewing those issued prior to a certain date for potentially updating the requirements prior to renewal. The firm's proposal described enhancements to the master agreement for utilities, additional conversion of old agreements into new ones with updated rates, and updating ROW maps as new properties are obtained. Quality assurance and quality control (QA/QC) practices were addressed. The schedule control discussion included long lead items and problem items first. Budget control was addressed and would focus efforts on the priorities. CPLS' work plan aligns with the SOW mandate for delivering a specified minimum number of hours for in-house support which will be fulfilled by the proposed ROW agent.

Epic presented a work plan that addressed the specific RFP requirements for the services. The firm's overall approach to meeting the requirements is accomplished through four main actions, including maximizing revenue, regular inspections to provide predictable property maintenance, minimizing liability, and the use of technology. The proposal identified potential special issues and solutions, such as determining fair market value through a comparative, across-the-fence methodology. The proposal also described how the firm successfully resolved a property ownership dispute with a railroad. Fair market rent and rent increases are proposed to be established through fair market evaluation and consumer price index adjustments. The work plan included a discussion on the automation of the tracking of tenant insurance documents and the process to ensure certificates of insurance remain current. The firm's QA/QC

process includes file audits, internal audits, and checklists. The schedule control discussion included critical path schedule items and communication with OCTA personnel. The firm proposed budget control approaches such as tracking expenses and efficient use of personnel. The minimum hours for the in-house personnel were not discussed in the proposal.

Paragon broadly presented a work plan that addressed the RFP requirements. The firm demonstrated a general understanding of the tasks required to manage OCTA property, going into depth for some tasks but not others. Proactive approaches to revenue review were presented. The firm provided a detailed plan of the means and methods they would use to conduct fair market valuations. The work plan indicated that the team would verify that proper insurance certificates were received without further elaboration. The firm's proposed QA/QC process includes a checklist and a specific plan. Schedule control would be addressed through regular status meetings with OCTA. The firm's budget control process referred to tracking estimated costs versus actual costs. The minimum hours for the in-house personnel were not discussed in the proposal.

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 their relation to the lowest weighted average hourly rate. While the weighted average hourly rate proposed by CPLS is the highest amongst the three short-listed firms, CPLS demonstrated its qualifications and tenure in providing real property management services. CPLS personnel possess extensive experience providing property management services for railroad ROW. Having CPLS' proposed ROW agent in-house enhances OCTA's operational efficiency. CPLS' proposed rates are within OCTA's independent cost estimate.

Procurement Summary

Based on the evaluation of the written proposals, information obtained during the interviews, and the BAFO, the evaluation committee recommends the selection of CPLS as the firm to provide real property management services. CPLS demonstrated relevant experience, proposed highly qualified key personnel, and delivered a comprehensive proposal and interview that was responsive to all the requirements of the RFP.

Fiscal Impact

This project was approved in OCTA's Fiscal Year 2023-24 Budget, Capital Programs Division, account nos. 0018-7514-D4803-DKM, 0018-7514-T1000-OJS, and 1722-7514-D2601-ODK, and is funded using Local Transportation and Commuter Rail Urban Endowment funds.

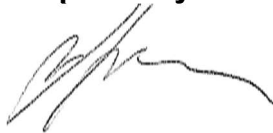
Summary

Staff requests Board of Directors' authorization for the Chief Executive Officer to negotiate and execute Agreement No. C-3-2807 with Cal Pacific Land Services, Inc., in the amount of \$750,000, for real property management services, for a five-year term.

Attachments

- A. Review of Proposals, RFP 3-2807 Real Property Management Services
- B. Proposal Evaluation Criteria Matrix (Short-Listed), RFP 3-2807 Real Property Management Services
- C. Contract History for the Past Two Years, RFP 3-2807 Real Property Management Services

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