

**Board Report**

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**File #:** 2020-0416, **File Type:** Contract**Agenda Number:** 11.

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**FINANCE, BUDGET AND AUDIT COMMITTEE  
AUGUST 19, 2020****SUBJECT: REAL ESTATE APPRAISAL SERVICES BENCH****ACTION: APPROVE RECOMMENDATIONS****RECOMMENDATION**

CONSIDER authorizing the Chief Executive Officer to:

- A. APPROVE the establishment of 19 contract agreements for professional services under the Real Estate Appraisal Services Bench, with the contractors recommended in Attachment A-1 for a five-year base period in the amount of \$34,500,000, with two, one-year options, for \$3,500,000 and \$2,064,500, respectively, with a funding amount not to exceed cumulative total of \$40,064,500, subject to resolution of protest(s) if any.
- B. AWARD Task Orders within the approved not-to-exceed cumulative total value of \$34,500,000.

**ISSUE**

The Los Angeles County Metropolitan Transportation Authority ("LACMTA") Real Estate staff requires a bench contract for appraisal services with three (3) disciplines: Real Estate; Furniture, Fixtures and Equipment; and Business Goodwill.

LACMTA has an on-going need for appraisal services in support of new transit and highway projects, enhanced bus and rail operations, and a host of other administrative and transportation improvements projects. Some major transportation projects include:

- Westside Purple Line Subway Extension Section III
- Link US
- Eastside Transit Corridor Phase 2
- Sepulveda Transit Corridor
- West Santa Ana Branch Transit Corridor
- Orange Line BRT Improvement
- East San Fernando Valley Transit Corridor
- Other miscellaneous projects including bus, rail, and highway projects

These projects will be designed and constructed over the next eight years and will require the appraisal of various personal and real property interests.

LACMTA is required by federal, state and municipal agency regulations to make offers of “Just Compensation” for the acquisition of real and personal property based on “fair market value” as recommended by competent, independent appraisers.

Depending on the scope of services, the project manager will decide which appraisal discipline will be utilized. A task order will be awarded to a contractor in a specific discipline at the completion of a competitive procurement process.

The Real Estate Appraisal Services Bench will allow task orders to be awarded more efficiently since the initial qualification reviews have been completed. The use of a bench streamlines the procurement process and allows staff timely access to professional resources to meet project schedules.

## **BACKGROUND**

LACMTA’s existing Real Estate Appraisal Services Bench was issued on August 5, 2013 and expires on February 28, 2022. An RFIQ was issued to interested firms in October 2019 to provide appraisal services in three separate appraisal disciplines: Real Estate; Furniture, Fixtures & Equipment; and Business Goodwill.

LACMTA received twenty-seven (27) responses to the RFIQ broken down into the following appraisal disciplines: twenty-two (22) for Real Estate, three (3) for Furniture, Fixtures & Equipment; and two (2) for the Business Goodwill.

## **DISCUSSION**

### Findings

The current Real Estate Appraisal Services Bench has been utilized over the past seven years and has proven to be a very successful method in reducing staff resources expended on the procurement of service contracts and allowing for projects to be completed in a more efficient manner.

### Considerations

Staff is recommending the total funding value of \$40,064,500 million for this new Real Estate Appraisal Bench. The funding value is based on projected project needs and an increased demand for appraisals services over the next seven years.

However, there may be unforeseen requirements for other project changes or schedule acceleration which may exceed existing assumptions and exhaust the approved total contract value before the end of the contract period. Under these circumstances, if needed, staff will return to the Board requesting for additional contract funding.

Equity Platform

Expanding LACMTA's infrastructure to better serve the communities in need of public transportation.

**DETERMINATION OF SAFETY IMPACT**

This item does not have an impact on LACMTA safety standards.

**FINANCIAL IMPACT**

Adoption of the Real Estate Appraisal Services Bench will have no impact on the existing FY20 budget. Funding for FY21 has been budgeted in projects requiring appraisal services across numerous cost centers. Each task order awarded to a contractor will be funded with the source of funds identified for that project. Since this is a multiyear contract, the project manager will be responsible for budgeting costs in future years, including any options exercised.

Impact to Budget

The funding for the task orders is dependent upon the specific project. Generally, all projects accessing the Real Estate Appraisal Services Bench will be partially funded from Measures R and M. Additional funding for LACMTA projects comes from various state and federal sources including the Federal Transit Administration (FTA).

**IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Real Estate Appraisal Services Bench will allow task orders to be awarded more efficiently since the initial qualification reviews would already have been completed. It is critical to expedite the procurement process in order to meet tight project schedules and complete long-range planning projects.

Recommendation supports strategic plan goals:

1. Provide high-quality mobility options that enable people to spend less time traveling;
2. Deliver outstanding trip experiences for all users of the transportation system;
3. Enhance communities and lives through mobility and access to opportunity;
4. Transform LA County through regional collaboration and national leadership; and
5. Provide responsive, accountable, and trustworthy governance within the LACMTA organization.

**ALTERNATIVES CONSIDERED**

The Board could choose not to approve the recommendations. This is not recommended as the alternatives would be to:

- a. Award task orders as separate procurements which will dramatically increase the procurement times for the individual task orders, and/or
- b. increase the size of the Real Estate staff in order to perform the work in-house. LACMTA has historically had difficulty recruiting appraisal staff with the necessary experience and

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expertise to perform the various types of appraisal assignments envisioned in the coming years.

Both alternatives will hamper the Real Estate division's ability to respond quickly to project needs resulting in significant delays and cost increases. The current project schedules anticipate the majority of appraisal work to take place over the next 3 to 5 years.

### **NEXT STEPS**

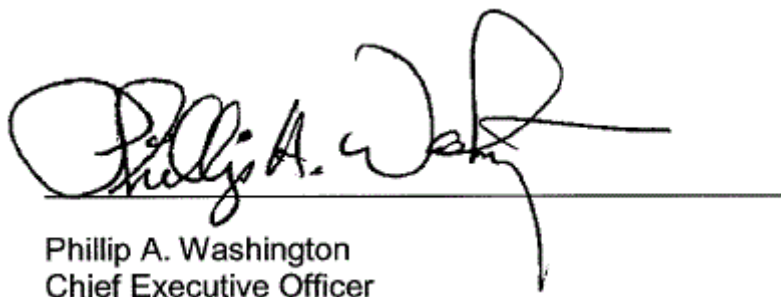
Upon Board approval, staff will establish and execute the bench contracts. As needed, staff will solicit responses to individual task orders from specific disciplines. SBE, DVBE and/or DBE goal requirements will be set for each individual task order.

### **ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment A-1 - Recommended Firms by Discipline  
Attachment B - DEOD Summary

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