

MEMORANDUM

June 9, 2016

To: MEMBERS, PORT COMMISSION
Hon. Willie Adams, President
Hon. Kimberly Brandon, Vice President
Hon. Leslie Katz
Hon. Eleni Kounalakis
Hon. Doreen Woo Ho

FROM: Elaine Forbes
Interim Executive Director

SUBJECT: Request authorization to award contracts to (1) BAE Urban Economics, Inc., (2) Century Urban, LLC, (3) Economic & Planning Systems, Inc., and (4) Seifel Consulting, Inc., for as-needed real estate economics and planning services, each contract in an amount not to exceed \$500,000

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution

SUMMARY

Pursuant to Port Commission authorization (Resolution 15-44), Port staff issued a Request for Qualifications ("RFQ") soliciting as-needed real estate economics and planning services on March 30, 2016. Six proposals were received in advance of the RFQ submittal deadline on April 22, 2016. The Contract Monitoring Division ("CMD") determined that two firms did not meet the City's Local Business Enterprise ("LBE") Ordinance requirements and thus deemed them non-responsive to the RFQ. A selection panel then evaluated and scored the written proposals and held oral interviews with the four remaining respondents. CMD applied the LBE prime rating bonus to two of the respondents, Century Urban, LLC and Seifel Consulting, Inc.

Port staff now seeks Port Commission authorization to award professional services contracts for as-needed real estate economics and planning services to BAE Urban Economics, Inc. ("BAE"), Century Urban, LLC ("Century Urban"), Economic & Planning Systems, Inc. ("EPS"), and Seifel Consulting, Inc. ("Seifel"). Under terms which Port staff negotiated, each proposed contract will have a not-to-exceed amount of \$500,000 and a term of three years with an option for an additional year at the Port's sole discretion. The cumulative maximum value of the four proposed contracts is \$2,000,000 over a term of four years. Contract work will be funded through the Port's annual operating budget.

This Print Covers Calendar Item No. 10A

STRATEGIC OBJECTIVE

This contracting opportunity supports the goals of the Port's Strategic Plan as follows:

Livability:

By increasing the proportion of funds spent by the Port with LBE and micro-LBEs; and by proactively working with transportation agency partners to ensure integrated transportation plans to ease traffic congestion on the waterfront.

Economic Vitality:

By planning and executing a holistic and balanced strategy for the real estate portfolio and asset management to maximize asset value and income stream to the Port.

Renewal:

By prioritizing three projects for 2020 – Pier 70, Seawall Lot 337/Pier 48 and the Blue Greenway – to create vibrant new neighborhoods for residents, commercial and industrial/PDR businesses and employees.

BACKGROUND

On, May 1, 2012, pursuant to Port Commission approval, the Port entered into previous contracts for “as-needed” real estate economics and related professional services contracts with BAE, EPS, Keyser Marston Associates (“KMA”), and Seifel. Three of the contracts included a maximum dollar value of \$500,000, and one contract included a maximum dollar value of \$750,000, for a cumulative maximum value of \$2.25 million for all contracts. All four contracts had initial terms of three years that were extended for one additional year that expired on April 30, 2016.

Under these prior contracts, the consultants provided services for projects that included financial negotiation support for Seawall Lot (SWL) 337, a transportation impact study for 19th Street, a financing plan for Pier 70, and advisory services for the Waterfront Land Use Plan update. The prior contracts closed with an overall LBE subcontracting participation of 27%, or 5% over CMD set goal of 22%.

On December 8, 2015, the Port Commission authorized staff to advertise for as-needed real estate economics and planning services (Port Commission Resolution 15-44). Staff also secured the requisite Civil Service Commission approval prior to advertising the RFQ for up to six contracts with maximum four year terms and a not-to-exceed aggregate amount of \$3,000,000 on March 7, 2016. The RFQ incorporated a LBE subcontracting goal of 21% as determined by the Port's CMD Contract Compliance Officer.

Scope of Work

As-needed contract services serve as a timely and cost effective vehicle to meet the various needs of the Port's diverse portfolio of projects. While the specific scope of work associated with these contracts is not fully defined, the negotiated and proposed scope of services includes the following five core areas:

1. Real Estate Economics
2. Site and Master Planning
3. Urban Design and Architecture
4. Historic Preservation Planning
5. Transportation Planning and Analysis

Each of the five core service areas listed above includes a great many subcategories. For example, the real estate economics category includes lease negotiations, financial feasibility analysis, development cost forecasting/projections, market and site feasibility analysis, entitlement feasibility analysis, marketing and leasing strategic planning, highest and best use analysis, economic impact analysis, public/private partnership development transactions structure, and others.

Specific work tasks, schedules, and budgets for each project will be developed by Port staff and consultants separately as 'contract service orders' (CSOs), on an as-needed basis over the term of each contract.

SELECTION PROCESS

On March 24, 2016, the Port issued the current RFQ, with submittals due on April 22, 2016. A pre-submittal meeting was held on April 5, 2016. Over 20 people representing 18 unique real estate economics and planning firms attended the pre-submittal meeting.

The Port received six responses to the RFQ, each consisting of one lead consultant and a number of sub-consultants in a variety of professional disciplines, per the RFQ requirements. The following six consultant teams (identified by the lead consultant in alphabetical order) responded to the RFQ:

1. BAE
2. Century Urban
3. EPS
4. KMA
5. Land Use Economics, LLC
6. Seifel

Port staff reviewed and determined that all six firms met the RFQ's minimum qualifications. CMD then reviewed the submittals for compliance with the RFQ's LBE requirements. CMD concluded that the submittals from KMA and Land Use Economics, LLC did not satisfy the City's pre-award LBE requirements by failing to specify the value of sub-consultant participation for each LBE firm. KMA submitted an appeal of CMD's determination that CMD denied. Land Use Economics, LLC did not appeal CMD's determination.

Selection Panel

A three-member selection panel was convened to evaluate and score proposals on May 5, 2016. The panel consisted of a development project manager from the Port and two planners from the San Francisco Planning Department. One planner specialized in transportation planning while the other focused on multi-disciplinary planning. The Port's

CMD Compliance Officer approved the panel composition and attended all selection panel meetings.

Evaluation Criteria

The selection panel evaluated and scored written proposals based upon the following criteria:

- 50 points – lead consultant and planning subcontractor experience
- 20 points – team composition and staffing plan
- 30 points – work approach
- 100 points total

Port staff forwarded all four proposals to the second phase of the evaluation process for oral interviews. On May 13, 2016, the panel evaluated and scored oral interviews based upon the following criteria:

- 50 points – lead consultant and planning subcontractor experience
- 20 points – team composition and staffing plan
- 30 points – work approach
- 100 points total

The City Administrative Code Chapter 14B, the LBE and Non-Discrimination in Contracting Ordinance, establishes rating bonuses for LBE prime consultants. Two LBE prime consultants, Century Urban and Seifel are LBE firms and therefore qualified for a 10 percent rating bonus. The complete rankings are shown in Table 1. Port staff issued a Notice of Intent to Award Contracts on May 13, 2016, pending Commission approval. No protests were received during the 5-day protest period.

Table 1: As Needed Real Estate Economics RFQ Proposal Scores

Proposer	Written Proposal Score (Avg/Total)	Oral Interview Score (Avg/Total)	LBE Rating Bonus	Final Total Score	Final Ranking
Seifel (LBE)	91/274	88/264	+10%	197/592	1
EPS	91/273	100/300	N/A	191/573	2
BAE	85/255	90/270	N/A	175/525	3
Century Urban (LBE)	60/181	90/271	+10%	166/497	4

SELECTED CONSULTANTS

Among the four teams selected for contract award, three – BAE, EPS, and Siefel – were prime consultants for the previous as-needed real estate economics contracts. BAE and EPS have served as lead consultants for multiple years. Seifel had been a LBE subcontractor under a previous EPS contract before receiving a contract award as a prime consultant in 2012.

Century Urban, a LBE firm, bid for and received a small informal real estate economics consulting contract with the Port in 2015 prior to successfully competing for this RFQ. All four firms have worked with other departments of the City and County of San Francisco, including the Planning Department, Controller’s Office, and the Mayor’s Office of Housing.

The matrix below shows the full spectrum of professional services for each of the four selected teams. All four teams will be led by a prime consultant specializing in real estate economics and/or urban planning, and will include a variety of subconsultants covering the full range of core services identified in the RFQ.

Table 2: Summary of Selected As-Needed Real Estate Economics RFQ Teams

Lead Consultant (Real Economics)	Real Estate Economics	Site and Master Planning	Urban Design and Architecture	Historic Preservation	Transportation Planning
BAE	CH Elliot*	PlaceWorks	PlaceWorks Kwan Henmi	Carey & Co.*	CHS Consulting*
Century Urban*	ARUP*	Surface Design*	Levy Design*	VerPlanck Historic*	Adavant*
EPS	Sedway Consulting*	Robin Chiang* SiteLab* Bionic Landscape*	Robin Chiang* SiteLab* Bionic Landscape*	Carey & Co.*	CHS Consulting*
Seifel*	Urban Analytics*	Robin Chiang*	ARUP* Merril Morris*	ARG	Nelson/Nygaard

**indicates a certified LBE firm*

FUNDING

For each of the four contracts, staff proposes a total not-to-exceed contract amount of \$500,000. Funding for these contracts will be provided through the Port’s operating budget; the Port’s proposed biennial operating budget for Fiscal Year 2016-17 and 2017-18 includes \$500,000 per year for Professional & Specialized Services within the

Planning & Development division, which has primary management and funding responsibility of these contracts.

Staff anticipates that a significant portion of the Port's costs associated with these contracts will be directly offset or recoverable through reimbursement agreements between the Port and its private development partners.

Each CSO issued by the Port under the proposed contracts will be subject to available funding. Budgeted amounts for each CSO will depend on the specific needs of the project and will be subject to negotiation.

SCHEDULE

The planned contracting schedule is:

<u>Activity</u>	<u>Target Date</u>
Port Commission Authorization to Award Contracts	June 14, 2016
Notice To Proceed	August 1, 2016

RECOMMENDATION

Port staff request authorization to award contracts to (1) BAE Urban Economics, Inc., (2) Century Urban, LLC, (3) Economic & Planning Systems, Inc., and (4) Seifel Consulting, Inc., for as-needed real estate economics and planning services, each contract in an amount not to exceed \$500,000 and each with an initial term of three years and an option to extend the term for an additional year at the Port's sole discretion. The cumulative value of the four proposed contracts is \$2,000,000 over a maximum term of four years. Contract work will be funded through the Port's annual operating budget.

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Attachments

A: CMD Award Memo

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 16-23**

- WHEREAS, Port staff requires consultant expertise and assistance in the areas of real estate economics, land use planning, urban design, architecture, historic preservation, and others for projects currently in the planning, negotiations, and entitlement phases as well as for future projects; and
- WHEREAS, the Port's current set of four as-needed real estate economics and related consulting services contracts, awarded pursuant to Port Commission authorization in 2012, have provided a timely and cost-effective vehicle for the provision of such professional services, and expired on April 30, 2016; and
- WHEREAS, on December 8, 2015, the Port Commission authorized staff to issue a Request for Qualifications ("RFQ") to solicit and select consulting firms to provide as-needed real estate economics and planning services (Port Commission Resolution 15-44); and
- WHEREAS, on March 7, 2016 Port staff received approval from the Civil Service Commission (PSC#41779-15/16) to contract with a maximum of six private consulting firms for as-needed real estate economics and planning services, with maximum terms of four years and a not-to-exceed amount of \$3,000,000 for all contracts; and
- WHEREAS, Port staff advertised the RFQ on March 24, 2016 and received six proposals on April 22, 2016, of which four were deemed responsive to the requirements of the RFQ; and
- WHEREAS, pursuant to the RFQ, a three member selection panel was convened to evaluate and score proposals and after applying the LBE rating points, the City's Contract Monitoring Division and Port staff determined the following firms submitted the four highest-scoring proposals in response to the RFQ: (1) BAE Urban Economics, Inc.; (2) Century Urban, LLC; (3) Economic & Planning Systems, Inc; and (4) Seifel Consulting, Inc.; and
- WHEREAS, Based upon the final evaluation and scoring of the proposals, Port staff recommend the award of separate contracts to: (1) BAE Urban Economics, Inc., (2) Century Urban, LLC, (3) Economic & Planning Systems, Inc., and (4) Seifel Consulting, Inc., for as-needed real estate economics and planning services, each contract in an amount not to exceed \$500,000, with an initial term of three years and an option to extend the term for an additional year at the Port's sole discretion; now therefore, be it

RESOLVED, that the Port Commission hereby authorizes the award of separate contracts to: (1) BAE Urban Economics, Inc., (2) Century Urban, LLC, (3) Economic & Planning Systems, Inc, and (4) Seifel Consulting, Inc., for as-needed real estate economics and planning services, each contract in an amount not to exceed \$500,000, with an initial term of three years and an option to extend the term for an additional year at the Port's sole discretion; and, be it further

RESOLVED, that the Port Commission further authorizes Port staff to execute necessary contract documents, in such form as approved by the City Attorney's office, for such purpose.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 14, 2016.

Secretary