

# Agenda Report

November 14, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Department of the City Manager

**SUBJECT: TWO CONTRACT AWARDS: 1) THE PROPERTY SCIENCES GROUP, INC., AND 2) NORRIS REALTY ADVISORS FOR COMMERCIAL APPRAISAL SERVICES FOR A COMBINED TOTAL AMOUNT NOT-TO-EXCEED \$125,000**

**RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to Section 21065 of CEQA and State CEQA Guidelines Sections 15060(c)(2), 15060(c)(3), 15378, and as such, no environmental document pursuant to CEQA is required for the project;
2. Authorize the City Manager to enter into a professional contract, as a result of competitive selection process specified by Section 4.08.047 of the Pasadena Municipal Code, with The Property Sciences Group, Inc. for commercial appraisal services for a two-year term not to exceed a combined commercial appraisal services amount of \$50,000, with three additional one-year extensions not to exceed a combined commercial appraisal services amount of \$75,000, subject to the approval of the City Manager, for a maximum total contract length of five years or until the combined budgeted commercial appraisal services amount of \$125,000 is expended, whichever comes first (all contract amounts are subject to be reduced, without notice, based upon actual expenditures to the other contract for the same services); and
3. Authorize the City Manager to enter into a professional contract (to be designated as a back-up vendor to provide required services in the event that The Property Sciences Group, Inc. is unable to deliver requested services within a reasonable timeframe), as a result of competitive selection process specified by Section 4.08.047 of the Pasadena Municipal Code, with Norris Realty Advisors, for commercial appraisal services for a two-year term not to exceed a combined commercial appraisal services amount of \$50,000, with three additional one-year

extensions not to exceed a combined commercial appraisal services amount of \$75,000, subject to the approval of the City Manager, for a maximum total contract length of five years or until the combined budgeted commercial appraisal services amount of \$125,000 is expended, whichever comes first (all contract amounts are subject to be reduced, without notice, based upon actual expenditures to the other contract for the same services);

### **BACKGROUND:**

The Economic Development Division oversees a real estate portfolio of over 400 properties and leases that are managed, negotiated, and maintained for various City departments and tenants. The Division seeks to place contracts for commercial appraisal services to provide services for commercial properties within the City. As future projects are identified, the contractor(s) will provide cost estimates and time frames for the delivery of future appraisal reports; if they are unable to complete any requested service within a reasonable time frame, the secondary contractor will be asked to provide costs estimates and time frames for the delivery of the same project. Thereafter, the City will then select between the two proposals for that particular project.

A Request for Proposal ("RFP") was posted on the City's procurement system, Planet Bids, on July 18, 2022, through which 2,735 vendors were notified of the RFP opportunity. Of the total vendors notified, 25 were identified as prospective proposers and 24 downloaded information about the RFP. On August 09, 2022, the City received four proposals. The highest scoring RFP respondent was selected as the primary commercial appraiser. In addition, the second highest scoring RFP respondent was selected as a standby back-up commercial appraiser in case the highest scoring selected vendor cannot perform a project as requested within a reasonable time frame.

The proposals were reviewed, evaluated, and weight scored by City of Pasadena staff, as per the criteria described within the RFP, and ranked as set forth in Attachment "A" to this report. While Property Sciences Group, Inc. had no prior experience working for the City of Pasadena, their proposal was ranked the highest, and therefore identified for selection. The Property Sciences Group, Inc. had the lowest pricing on the RFP proposed projects, had the strongest company qualifications including a depth of licensed appraisers on staff, and a strong experience working with other named municipalities. As the second highest ranked proposal, Norris Realty Advisors was identified for selection as a back-up vendor. Norris Realty Advisors is an experienced MAI appraiser and has a strong experience working previously with the City of Pasadena.

Based upon the scoring, staff recommends entering into a contract to provide commercial appraisal services with The Property Sciences Group, Inc and a contract for standby back-up commercial appraisal services with Norris Realty Advisors.

**COUNCIL POLICY CONSIDERATION:**

The proposed action is consistent with the City Council's Strategic Plan Goal to maintain fiscal responsibility and stability and support and promote the quality of life and local economy.

**ENVIRONMENTAL ANALYSIS:**

The proposed action herein is not subject to the California Environmental Quality Act (CEQA) in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(3) and 15378(b). CEQA Guidelines Section 15060 (c)(3) excludes from environmental review those activities that are not a "project" as defined in Section 15378. Section 15378(b) excludes from the definition of "project" governmental funding activities which do not involve a commitment to a project which may result in a potentially significant environmental effect. The proposed action consists of a contract and appropriation of funds for commercial appraisal services. No direct or reasonably foreseeable indirect physical change in the environment would result.


**FISCAL IMPACT:**

The cost of this action (combined total amount of both contracts) will not to exceed \$50,000 for the initial two-year term. Both contracts will have three (3) one-year optional extensions, and the grand total cost for the full term of the contracts is not to exceed \$125,000 (combined total amount of both contracts). Funding for this action will utilize existing budget appropriations and future appropriations in account 10111005-811500, Economic Development Division Consultant Services.

Respectfully submitted,

  
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Economic Development Director

Prepared by:

  
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Economic Development Division

Approved by:

  
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MIGUEL MÁRQUEZ  
City Manager

Attachments: (1)

Attachment A – Commercial Appraisal Services Proposal Evaluations