



PATRICK H. WEST
CITY MANAGER

December 3, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. FM13-062 and authorize the City Manager to execute a contract and all related documents with Arup North American Limited, of Los Angeles, California (team members include WBE/DBE/SBE and Local), in the annual amount of \$987,798, plus a 10 percent contingency of \$98,780, for a total of \$1,086,578 for financial, architectural and community outreach consultant services related to the preparation and issuance of a Request for Proposals for a new Civic Center, review and analysis of submittals and assistance in the selection of a preferred proposer, with two optional one-year renewals; and

Increase appropriations in the Civic Center Fund (IS 380) in the Public Works Department (PW) by \$1,086,578 from fund balance. (District 2)

DISCUSSION

On October 22, 2013, City Council authorized the City Manager to prepare and release a Request for Proposals (RFP) to the Short List of RFQ Respondents, to design, build, finance, operate and maintain a new Civic Center funded by an annual payment of \$12.6 million, adjusted by an inflation rate. City Council also communicated their desire to release this RFP no later than February 2014. In order to work to achieve that timeline and properly develop an RFP that reflects the desires of the community, a robust, yet rapid, outreach effort will be required in order to solicit feedback from the community and establish appropriate design guidelines.

An RFP for Professional Services, including community outreach services, financial analysis services and architectural and design services, active participation in negotiations and achievement of financial close, negotiations and documentation of the terms of any arrangements with prospective delivery teams, and assisting in executing an agreement incorporating terms and features determined to be in the best interest of the City, was released on September 13, 2013. The scope of work includes structuring the developer RFP, critically evaluating the submissions from a programmatic and

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financial perspective, formulating a recommendation and negotiating the final terms and requirements with the preferred proposer. In order to ensure that there would be no conflicts of interest between the Short List of RFQ Respondent teams and the City's Professional Services consultants, the due date for the Professional Services RFP was delayed until after the City Council meeting of October 22, 2013, at which time the Short List of RFQ Respondents teams were identified.

The Request for Proposal (RFP) was advertised in the Press-Telegram on September 16, 2013, and 2,311 potential bidders specializing in construction services were notified of this RFP opportunity. Of those bidders, 356 downloaded the RFP via our electronic bid system. The bid document was made available from the Purchasing Division, located on the seventh floor of City Hall and the Division's website at www.longbeach.gov/purchasing, and by being purchased through the Department of Public Works located on the tenth floor of City Hall. A bid announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority and women's business groups. Thirteen proposals were received on October 31, 2013. Of those thirteen proposals, two were Minority-owned Business Enterprises (MBEs), two were Women-owned Business Enterprises (WBEs), none were Disadvantaged Business Enterprises (DBEs), three were certified Small Business Enterprises (SBEs), and four were Long Beach businesses (Local). In addition, the proposers have team members that are comprised of additional MBEs, WBEs, DBEs, SBEs and Locals.

Of the 13 submittals received, six teams were invited to be interviewed. An interview panel was convened consisting of the Directors of Development Services, Library Services and Business & Property Development, the City Treasurer and Debt Manager, and the Chief Financial Officer and Acting Chief Harbor Engineer from the Harbor Department. The panel selected Arup North America Limited to assist the City in the preparation and issuance of the RFP for the new Civic Center, review and analysis of submittals, assistance in the selection of a preferred proposer and necessary support to achieve financial close.

Considerable effort will be required in the next few months to engage the community, prepare appropriate design guidelines, a thorough project scope, a draft project agreement or term sheet, and ground lease. These efforts are anticipated to begin in early December 2013, and continue to February 2014.

Legal assistance will also be required to ensure a compliant process, prepare draft documents, negotiate final documents, facilitate financial analyses and protect the City's interests. The cost for legal assistance that would extend to the point of occupancy of a new facility is estimated at \$750,000. The City Attorney will seek authority to enter into a contract for services in a separate request to City Council. As the financial structure and programmatic allocation of a proposal for a public/private partnership needs to align with certain statutes of the State of California, prompt and early efforts will include

determining the proper combination of financing and programming to ensure compliance.

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division assists businesses with registering on the Bids Online database to download the RFP specifications. Through outreach, 303 Long Beach vendors were notified to submit proposals, of which 39 downloaded and four submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Richard F. Anthony and Budget Management Officer Victoria Bell on November 14, 2013.

TIMING CONSIDERATION

City Council consideration at its meeting of December 3, 2013 is essential to maintaining the aggressive timeline established by City Council.

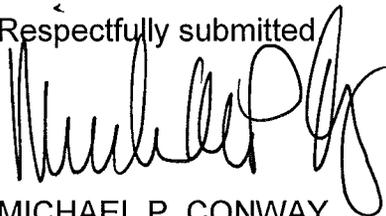
FISCAL IMPACT

Consultant costs for assistance in the preparation and issuance of an RFP, review and analysis of the submittals, selection of the preferred proposer and support to achieve financial close are \$987,798. To address and quickly manage unanticipated costs, a contingency amount of 10 percent of the base contract amount, or \$98,780, is requested for a total not to exceed \$1,086,578. Funding for the contract expense is available in the Civic Center Fund (IS 380) and an appropriation increase is requested as part of the recommended action. Issues may arise in the development of the RFP or analysis of submittals that require additional financial or other consulting assistance. If so, staff will come back to City Council with an additional funding request. Legal assistance, estimated at \$750,000, will be needed and separately requested by, the City Attorney. Approval of this recommendation will result in a positive local job impact.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted



MICHAEL P. CONWAY
DIRECTOR OF BUSINESS AND PROPERTY DEVELOPMENT

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JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER