REQUEST FOR AUTHORITY TO ISSUE A REQUEST FOR QUALIFICATIONS (RFQ), AND SELECT AND RECOMMEND CERTIFICATION OF A SHORT-LIST OF QUALIFIED RESPONDENTS TO PROCEED TO A REQUEST FOR PROPOSALS PHASE TO DESIGN, BUILD, FINANCE, OPERATE AND MAINTAIN (DBFOM) THE LOS ANGELES STREET CIVIC BUILDING PROJECT (PROJECT) THROUGH A PUBLIC PRIVATE PARTNERSHIP (P3) AGREEMENT

RECOMMENDATIONS

1. Authorize the City Engineer to issue and advertise the transmitted RFQ (Transmittal No. 1) in local publications and to professional organizations, as well as be available for download from the City of Los Angeles Business Assistance Virtual Network (BAVN) website at http://www.labavn.org.

2. Authorize the staff from the Department of Public Works, along with other members of the evaluation panel, to evaluate and select up to four respondents based upon the requirements and procedures set forth in the RFQ.

3. Direct the City Engineer to recommend up to four Short-Listed Respondents and the draft Request for Proposal (RFP) documents to the Board of Public Works (Board) for approval.

TRANSMITTALS


2. Copy of the Notice to Advertise.

DISCUSSION

Background

The City of Los Angeles (City) intends to use the site at 150 North Los Angeles Street as the location for a new municipal building. The City Council, at its meeting on March 24, 2017, certified the Final Environmental Impact Report (FEIR) for the Project (Council File No. 14-1604). Alternative B3 from the FEIR was the Preferred Project and featured the construction of an approximately 27 story high rise building complex with a gross area of approximately 753,740 square feet. The maximum height of the building was approximately 450 feet and the facility would have underground parking for approximately 1,173 vehicles. The demolition of the former Parker Center was approved
and began in the Summer of 2018. Demolition activities should be completed by the end of December 2019.

The DBFOM method of project delivery was approved by the City Council on July 3, 2018 (Council File No. 14-1604). A Working Group of City staff from various stakeholder departments, including the Mayor’s Office, the Office of the City Administrative Officer, the Office of the Chief Legislative Analyst, the City Attorney, the Department of General Services, the BOE and others have worked with several City consultants to prepare the necessary pre-procurement documents for the Project.

The BOE is requesting the authority to issue a RFQ, to receive and evaluate the Statement of Qualifications (SOQ) submitted by respondents, and select and certify up to four teams (Short-Listed Respondents) for the next step of the procurement process. As a part of the RFQ process, the Board of Public Works will make the selection of the Short-Listed Respondents. A report will be prepared for the City Council regarding such selected Short-Listed Respondents following the RFQ process.

The RFQ will include the following major items: (1) Project Status, Obligations and Responsibilities, (2) Description of the Procurement Process, (3) SOQ Submittal Requirements, and (4) the Evaluation Process and Criteria.

Following the RFQ and appropriate approvals of the short-list, a RFP will be issued to the Short-Listed Respondents. The RFP will include, among other elements, a detailed facility program, architectural and engineering performance specifications, project-specific design guidelines, operations and maintenance requirements, and other requirements. Also, the RFP will include proposal submission instructions, evaluation criteria for selecting a preferred respondent, as well as a draft project agreement that will set forth the rights and obligations of the City and the preferred respondent to design, build, finance, operate and maintain the Project over approximately a 30-year term.

In response to the RFP, each short-listed team will submit a hard-bid proposal containing: (1) preliminary designs and specifications; (2) fixed-price and date-certain construction bids; (3) fixed-price operations and maintenance bids, including lifecycle maintenance for approximately 30 years; and (4) financing plans with fully committed contributions of sources of capital.

Following the City’s receipt and evaluation of proposals, a preferred respondent will be selected to enter into a long-term project agreement with the City. The City Council will approve the final project agreement, prior to award and execution with the preferred respondent.

**Advertising and Distributing the RFQ**

Upon the adoption of this report by the Board, the RFQ will be distributed through a Notice to Advertise (Transmittal No. 2), which will be placed in local publications and
sent to professional organizations. The RFQ and its attachments will also be available for download from the City of Los Angeles Business Assistance Virtual Network website at http://www.labavn.org.

**RFQ Evaluation Process and Criteria**

**Overview**
A selection panel will screen the RFQ submittals. The Evaluation Process and Criteria summarized below will be used in assessing each respondent’s SOQ to determine the most qualified Respondents for the successful delivery of the Project through a DBFOM delivery method.

There are three elements in the evaluation of the SOQs: (1) Responsiveness and Responsibility, (2) Pass/Fail Review, and (3) Qualifications Evaluation. Each category is described briefly below:

**Responsiveness and Responsibility**
Each SOQ will be reviewed for: (a) the responsiveness of the respondents to the requirements in the RFQ; (b) conformance to the RFQ instructions regarding organization and format; and (c) minor nonconformities, irregularities, and apparent clerical mistakes that are unrelated to the substantive content of the SOQ.

In addition, based on the information contained in the SOQ, the City may, in accordance with Section 10.40.2 of the Los Angeles Administrative Code, determine that a respondent is not responsible and therefore ineligible for short-listing.

SOQ’s that are not responsive to the requirements of this RFQ or respondents whom the City determines are not responsible may be excluded from further consideration.

**Pass/Fail Criteria**
Following, or in conjunction with, the evaluation of each SOQ for responsiveness and responsibility, the City will evaluate each SOQ based upon the following pass/fail criteria:

- **Bonding Capacity**
  The respondent must provide one or more duly executed surety letter(s) meeting the submittal requirements as evidence of the Lead Contractor’s capability of obtaining payment and performance bonds in the required amounts.
• **Availability of First Loss Risk Capital**
  The respondent must demonstrate existing and/or committed capacity for first loss risk capital into the Project in an amount of $80 million.

The respondent must obtain a “pass” on all pass/fail criteria to be evaluated qualitatively under the qualifications evaluation.

**Weighted Criteria**
Each responsive SOQ that passes all of the “Pass/Fail” requirements will be evaluated and scored according to the evaluation criteria and the weightings as follows:

- **Equity Members** 15 points
  The Equity Members and their key personnel must demonstrate the project financing experience and financial strength to successfully deliver the Project.

- **Lead Contractor** 25 points
  The Lead Contractor has the financial strength to successfully deliver the Project. The Lead Contractor and its key personnel have the construction experience to successfully deliver the project.

- **Lead Designer** 25 points
  The Lead Designer and its key personnel must demonstrate the design-engineering experience and design excellence to successfully deliver the Project.

- **Lead Operations & Maintenance Provider** 15 points
  The Lead Operations & Maintenance Provider and its key personnel must demonstrate the operations and maintenance experience to successfully operate and maintain the facility.

- **Project Approach** 20 points
  The respondent demonstrates, in a comprehensive and credible way, that its proposed approach to project delivery and implementation will meet the City’s objectives for the Project, including on-time and on-budget delivery and asset preservation, as well as achieving design excellence and facilitating robust community engagement and inclusivity.

During the review and evaluation, the City may ask respondents for additional information or clarification, including via oral presentations or interviews.

**Inclusivity Requirements**
In compliance with the Mayor’s Executive Directive No. 14, issued on January 12, 2011, it is the policy of the City to provide Minority Business Enterprise, Women Business Enterprise, Small Business Enterprise, Emerging Business Enterprise, Disabled Veteran
Business Enterprise, and Other Business Enterprise firms an equal opportunity to participate in the performance of City Contracts.

After the SOQ evaluations are completed, an RFP will be issued to the Short-Listed Respondents. At a minimum, all respondents submitting a proposal in response to the RFP will be held to the requirements in accordance with Executive Directive No. 14. Failure to comply with the City’s requirements will render the RFP response non-responsive.

**Project Labor Agreement**

Subject to the approval of the Board, all construction work for the Project will be subject to the City of Los Angeles, Department of Public Works, Project Labor Agreement 2015 – 2020 and the Public Works Infrastructure Stabilization Policy.

**Compliance with City Policies and with the Board’s Policy**

On December 24, 2002, the Board adopted, as policy, the recommendations of the Advertising/Outreach Committee for advertising and outreach for personal services contracts. These procedures have been followed. The selected Preferred Respondent will be subject to compliance with the following City’s Ordinances and policies among others: Contractor Responsibility Ordinance; Business Tax Registration Certificate; Non-Discrimination, Equal Employment Practices, and Affirmative Action; Insurance requirements; Equal Benefits Ordinance; Child Support Obligations Ordinance; Americans with Disabilities Act; Worker Retention Ordinance; Living Wage Ordinance; Slavery Disclosure Ordinance; Non-Collusion; Municipal Lobbying Ordinance; First Source Hiring Ordinance; Best Terms; Iran Contracting Act of 2010 Compliance; Disclosure of Border Wall Contracting Ordinance; Contractor’s Use of Criminal History for Consideration of Employment Applications; National Rifle Association Disclosure Ordinance; and Campaign Contribution and Fundraising Restrictions. Failure to comply with all requirements specified will render the Preferred Respondent’s contract subject to termination pursuant to the conditions expressed therein. The Local Business Preference Program may be applied to the RFP.

**RFQ Review**

The proposed RFQ has been reviewed and approved by the Office of Contract Compliance and approved as-to-form by the City Attorney’s Office.

**STATUS OF FUNDING**

The RFQ will not have a source of funds attached to it. A source of funds will be available before the contract is awarded to the successful Preferred Respondent to the RFP.
Joint Report No. 3

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