

**STAFF REPORT FOR CALENDAR ITEM NO.: 7.2
FOR THE MEETING OF: July 1, 2013**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Authorize the Executive Director to execute an amendment to extend the Agreement for Goodwill Loss Appraisal Services with Donna Desmond Associates for an additional three years.

EXPLANATION:

The TJPA requires services of a consultant with expertise in evaluating compensable loss of goodwill due to the acquisition of real property and resulting relocation of businesses. As a result of a competitive process, in February 2008 the TJPA engaged Donna Desmond Associates to provide goodwill loss appraisal services. The firm has a five year contract with an option to extend the term for an additional three years; the maximum compensation is \$75,000.

The Request for Proposals (RFP) was issued on December 18, 2007. On January 22, 2008 the TJPA received three proposals in response to the RFP. A Selection Committee reviewed and scored the written proposals for technical merit. The three proposers were shortlisted and invited to interviews. The interviews were scored by the Selection Committee. The Selection Committee determined two firms, one of which was Donna Desmond Associates, to be ranked highest. The Selection Committee Report is attached. As the maximum compensation was \$75,000 for the firm, the TJPA Executive Director was authorized to approve an agreement with Donna Desmond Associates under the TJPA's Procurement Policy and did so in February 2008.

During the first five years of the contract, Donna Desmond Associates has provided satisfactory service. Over that time, the TJPA has incurred only \$34,333.29; thus, more than \$40,000 remains available under the contract. The TJPA expects to require continued goodwill loss appraisal services over the next three years. Thus, staff recommends that the TJPA exercise the option to extend the term for three additional years (or eight years total) at the same fee rates as negotiated when the original agreements were negotiated, and for no change in the maximum compensation.

Donna Desmond Associates was a Small Business Enterprise at the origination of the contract and has become a certified Disadvantaged Business Enterprise during the term; thus this contract has 100 percent DBE participation.

RECOMMENDATION:

Staff recommends that the Board of Directors authorize the Executive Director to execute an amendment to extend the Agreement for Goodwill Loss Appraisal Services with Donna Desmond Associates for an additional three years and with no change in the maximum compensation amount of \$75,000.

ATTACHMENTS:

1. Resolution
2. Selection Committee Report

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, On December 18, 2007, the Transbay Joint Powers Authority (TJPA) issued a Request for Proposals (RFP) for Goodwill Loss Appraisal Services; and

WHEREAS, On January 22, 2008, the TJPA received three written proposals in response to the RFP; and

WHEREAS, A Selection Committee evaluated the proposals for technical merit; and

WHEREAS, Following evaluation of the proposals, the Selection Committee conducted oral interviews with the three firms; and

WHEREAS, The Selection Committee found that the proposal submitted by Donna Desmond Associates was responsive to the RFP and that Donna Desmond Associates was qualified to perform the scope of services in a cost-effective manner; and

WHEREAS, TJPA staff negotiated a contract with Donna Desmond Associates that was approved by the TJPA Executive Director on February 20, 2008 for a five year term with an option to extend for three additional years and for a compensation not to exceed \$75,000; and

WHEREAS, Donna Desmond Associates has been providing satisfactory services; and

WHEREAS, TJPA staff expects that the TJPA will require continued goodwill loss appraisal services over the next three years; and

WHEREAS, TJPA staff recommends that Donna Desmond Associates be retained for an additional three years at the original negotiated compensation amount of \$75,000; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes the Executive Director to execute the amendment to extend the Agreement for Goodwill Loss Appraisal Services with Donna Desmond Associates for an additional three years and with no change in the maximum compensation amount of \$75,000.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of July 1, 2013.

Secretary, Transbay Joint Powers Authority

Amendment No. 01
Professional Services Agreement between
the Transbay Joint Powers Authority and Donna Desmond Associates

THIS Amendment No. 1 to the Professional Services Agreement to furnish goodwill loss appraisal services dated February 20, 2008, ("Agreement"), effective as of the 4th day of May 2013, in San Francisco, California, is by and between **Donna Desmond Associates** ("Contractor"), and the **Transbay Joint Powers Authority** ("TJPA").

Recitals

- A. On February 20, 2008, the TJPA Executive Director awarded the Contractor the Agreement to perform Goodwill Loss Appraisal Services for the Transbay Transit Center Program ("Program") with a five year term. The Agreement Effective Date is May 5, 2008.
- B. The TJPA and Contractor wish to amend the Agreement to extend the term of the Agreement with no modification to any other provision of the Agreement.
- C. There have been no previous amendments to the Agreement.

Terms and Conditions

Now, therefore, the TJPA and Contractor agree to amend the following sections of the Agreement to read as follows:

2. Term of the Agreement.

Subject to Section 1, the term of this Agreement shall be for eight (8) years from the Effective Date of the Agreement, as described in Section 3 below.

All other provisions of the Agreement shall remain in full force and effect.

**TRANSBAY JOINT POWERS
AUTHORITY**

CONTRACTOR
Donna Desmond Associates

Maria Ayerdi-Kaplan
Executive Director

Signature

Printed Name

Title



Goodwill Loss Appraisal Services Selection Committee Report February 2008

Executive Summary and Recommendation

In response to Request for Proposals No. 07-13 for Goodwill Loss Appraisal Services, issued on Tuesday, December 18, 2007, the TJPA received three submittals from firms meeting all minimum qualifications on January 22, 2008. A selection committee convened on January 28, 2008 to evaluate the submittals. On February 1, 2008, the committee conducted oral interviews with the three respondents and finalized its scoring.

Based on the criteria outlined in the RFP, the selection committee recommends that the TJPA negotiate a contract for services with **Desmond, Marcello & Amster** and **Donna Desmond Associates**.

Background

The TJPA wishes to retain firms or individuals with expertise in evaluating compensable loss of goodwill due to the acquisition of real property and resulting relocation of businesses. The Goodwill Loss Appraiser(s) will work closely with the TJPA's Real Estate Appraisers and Machinery & Equipment Appraisers.

The contract budget is not expected to exceed \$150,000 and a period of five (5) years. The TJPA will issue Notice(s) to Proceed authorizing the Consultants' work. Compensation will be paid on a task/deliverable basis.

Schedule

1)	RFP advertised/posted	December 18, 2007
2)	Receipt of proposals	January 22, 2008
3)	Selection committee evaluation meeting	January 28, 2008
4)	Interviews of short-listed firms and final scoring	February 1, 2008

Selection Committee Members

Larry Ritter, City & County of San Francisco Department of Real Estate
Ricky Tijani, San Francisco Redevelopment Agency
Harry Quinn, TJPA PM/PC Real Estate Coordinator

RFP Outreach

An announcement of the RFP appeared in the *San Francisco Examiner* and was posted on the City Purchaser's Bids and Contracts website; a copy of the announcement is Attachment A. On the same day, the TJPA posted the RFP on its website for the public to view and print and sent announcement of its availability to various interested parties and all American Society of Appraisers' Business Goodwill Appraisers listed in the Bay Area. In total, the announcement was sent to 137 firms and individuals.

The TJPA received three submittals on or before the RFP submission date, from:

- Desmond, Marcello & Amster
- Donna Desmond Associates
- Sanli, Pastore & Hill

Selection Committee Evaluation

The selection committee met on January 28, 2008 to review the written proposals and evaluate strengths and weaknesses using the criteria listed on the score sheet (Attachment B). References had been checked prior to the discussion. Following the discussion, each committee member individually filled out scoring sheets. A PM/PC staff member tabulated and verified the scores. All three firms were invited to participate in interviews based on the scoring results.

Oral interviews were conducted on February 1, 2008. Following each interview, the committee discussed the strengths and weaknesses of each Respondent firm. After both interviews had concluded, each committee member individually completed and signed scoring sheets and submitted them to the Contracts Compliance Manager for tabulation. The scores are shown in Attachment C.

All proposals submitted in response to this RFP are available for review at 201 Mission Street, Suite 1960 upon contacting the TJPA's Office Manager. Proposals will be retained for two years, except for the selected consultant's proposal which will be maintained on permanent record.

Attachments

Attachment A, RFP Announcement
Attachment B, Scoring Sheets
Attachment C, Scores

Reference

Request for Proposals No. 07-13 for Goodwill Loss Appraisal Services issued by the Transbay Joint Powers Authority on December 18, 2007.

Attachment A

ANNOUNCEMENT

REQUEST FOR PROPOSALS GOODWILL LOSS APPRAISAL SERVICES

The Transbay Joint Powers Authority (TJPA) is issuing a Request for Proposals (RFP) for GOODWILL LOSS APPRAISAL SERVICES (Services) for the Transbay Transit Center Program from firms or individuals with expertise in evaluating compensable loss of goodwill due to the acquisition of real property and resulting relocation of businesses (Services).

The Goodwill Loss Appraiser will provide Services that conform to California Code of Civil Procedures Sections 1263.510-1263.530, Caltrans ROW Manual Chapter 17.17.00.00, 49 CFR 24 and all other Federal, State and Local requirements and be in accordance with industry standards.

The TJPA is prepared to select a Goodwill Loss Appraisal Consultant to perform the services for a contract value not expected to exceed \$150,000. The contract will be established for a period up to five (5) years, unless extended by mutual agreement of the parties.

Prospective Respondents may obtain copies of this RFP, including required forms, by visiting the TJPA's website at www.TransbayCenter.org or by contacting the TJPA at 201 Mission Street, Suite 1960, San Francisco, CA 94105, (415) 597-4620, email: RFPAppraisal@TransbayCenter.org.

Proposal packages must be received by the TJPA no later than 5:00 p.m. on Tuesday, January 22, 2008. Late proposal packages will not be considered.

This announcement shall not create any legal rights or responsibilities. All terms of this offering shall be as set forth in the RFP and related materials. Without limiting the foregoing, any and all contracts will be contingent upon prior TJPA Board approval.



Transbay Transit Center Program

Attachment B
SCORING SHEET
RFP Goodwill Loss Appraiser Services
Written Proposals

28 January 2008

Name of Respondent: _____

Name of Panelist: _____

Signature of Panelist: _____

TOTAL SCORE

[100 points max- total of scores below]

RFP Section	<i>Description</i>	<i>Score</i>	<i>Notes</i>
6.1 Minimum Necessary Requirements	<p>Respondents not meeting the minimum necessary qualifications will be automatically disqualified from further consideration. The following are the minimum necessary qualifications for Respondents to this RFP:</p> <ol style="list-style-type: none"> 1. Ten (10) years' experience as an expert goodwill loss appraiser in eminent domain actions 2. Member of the American Society of Appraisers (ASA) 3. Experience testifying as an expert witness in eminent domain actions 	<p>Yes or No</p> <p>If no, do not evaluate any further.</p>	
7.1.1 Introduction and Executive Summary (suggest 2 pg)	<p>Submit a letter of introduction and an executive summary of the Proposal package. The introductory letter must be signed by a person or persons authorized to obligate the firm.</p>	5 point max	
7.1.2 Qualifications and Experience of Respondent Firm	<p>Provide a brief description of the Respondent and include a summary of the firm's capabilities and experience in goodwill loss appraisal services with an emphasis on projects in San Francisco.</p>	10 point max	

Attachment B

7.1. 2 Qualifications and Experience of Respondent Firm (continued)	<p>A. Describe how the Respondent meets the minimum qualifications described in Section 6.1. Be as specific as possible. Respondents not meeting any of the minimum necessary qualifications will automatically be disqualified from further consideration.</p>	(see 6.1 above)	
	<p>B. Describe how the Respondent meets any of the additional qualifications described in Section 6.2. Be as specific as possible.</p> <ul style="list-style-type: none"> • Successful completion of a course in goodwill appraisals for public agencies taught by a recognized organization. • Successful completion of a course on the Uniform Relocation and Real Property Acquisition Policies Act taught by a recognized organization. • Successful completion of a course on the California Eminent Domain Law taught by a recognized organization. • Goodwill Loss Appraisal work during the last three years for governmental or quasigovernmental agencies in the San Francisco Bay Area. • Professional designations including Accredited Senior Appraiser of the ASA, Certified Public Accountant, Chartered Financial Analyst (CFA) and/or Accredited in Business Valuation (ABV) 	15 point max	
	<p>C. Describe the Respondent's major goodwill loss appraisal projects relevant to this assignment. Limit each project to one page or less but clearly show the extent and nature of the involvement of the key team members to provide the Services.</p>	20 point max	

Attachment B

7.1.2 Qualifications and Experience of Respondent Firm (continued)	D. Describe the proposed staffing plan that will be used to provide the Services. Specifically, provide the names, titles, business addresses, phone numbers, and brief résumés describing the relevant qualifications and work experience of key staff that would be assigned to provide the Services. (The length of résumés must be shortened if necessary to avoid exceeding the maximum page limit established for the Proposal.) Describe the role each staff member would play in providing the Services. There is no restriction on where the Respondent firm is headquartered. However, assigned staff must work out of offices within the nine-county San Francisco Bay Area, which are the counties of San Francisco, Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma, and be able to reach the TJPA offices in a reasonable amount of time when work is needed.	5 point max	
	E. Include any additional information that demonstrates the Respondent's qualifications to perform the Services and successful completion of similar services for other public agencies.	5 point max	
7.1.3. References (suggest 5 pg)	Provide references of at least five recent clients (preferably other public agencies) for the Respondent firm and/or any assigned key staff; include the reference names, addresses, telephone numbers, e mail addresses and specific projects.	10 point max	
7.1.4 Demonstration Goodwill Loss Appraisal (no page limit)	Provide a Goodwill Loss appraisal prepared by Respondent that demonstrates an understanding of the type and quality of Goodwill Loss appraisal work required for this Program.	20 point max	

Attachment B

<p>7.1.5 Fee Proposal (no page limit) (Attachment 4)</p>	<p>The Proposal shall contain a Fee Proposal for performing the Services, in a form substantially similar to the Fee Proposal Form, Attachment 4. Pricing information will conform to federal procurement requirements. Hourly rates are to remain fixed during the entire contract period, including any option periods, except for reasonable cost of living increases. The Fee Proposal shall include: 1. A schedule containing (a) a list of all staff who would charge fees to perform the Services; (b) an identification of the nature of each staff member's work (e.g., appraisal, research, administrative); and (c) the hourly fee for each staff member 2. An hourly or per diem fee for any litigation</p>	<p>10 point max</p>	
<p>7.2 Other Required Documents (Attachment 5)</p>	<p>A. Certification Regarding Debarment, Suspension, and Other Responsibility Matters (Attachment 5a)</p>	<p>Signed and submitted? Yes or No</p>	
	<p>B. New Restrictions on Lobbying Certification (Attachment 5a)</p>	<p>Submitted? Yes or No</p>	
	<p>C. Disadvantaged Business Enterprise Program Requirements – Bidders/Proposers Information Request Form (Attachment 5b) (see also Section 12 below)</p>	<p>Submitted? Yes or No</p>	
	<p>Respondents shall also submit a copy of the Respondent's nondiscrimination program or Equal Employment Opportunity (EEO) policy statement.</p>	<p>Submitted? Yes or No</p>	



Attachment B

SCORING SHEET Oral Interview RFP Goodwill Loss Appraiser Services

Transbay Transit Center Program

Name of Respondent: _____

Name of Panelist: _____

Signature of Panelist: _____

The TJPA will invite Qualifying Respondents to participate in oral interviews at a specified time, date, and location. The TJPA shall impose a time limit for each oral interview. During the oral interview, the Qualifying Respondents will be required to respond to the set of technical questions listed below. The selection committee may also question the Qualifying Respondents on their written submittals. **The total maximum score possible is 60.**

The proposed key individuals of the Qualifying Respondents' teams will be expected to actively participate in the interviews and to respond to the selection committee's questions.

Question	Value	Reviewer Comment
A. Certain compensable goodwill losses and Business Assistance Program items may fall in to overlapping areas. Can you think of examples and where this might occur and steps necessary to ensure no duplication of payments.	6 point max	
B. For a typical Goodwill Loss appraisal, please explain the relevance of and how you determine the excess earnings model?	6 point max	
C. Describe a relevant project for which your office provided a Goodwill Loss appraisal for a governmental agency. Provide detail on aspects of the appraisal that were challenging.	6 point max	
D. Discuss how investment and financing income are used in goodwill loss appraisals.	6 point max	
E. Describe the roles of each of your staff who worked in preparing this Goodwill Loss appraisal.	6 point max	
F. Who in your office has participated in litigation and who has provided testimony in court? Who would testify to the appraisal in an eminent domain action? In addition to senior staff, are other staff members also effective in providing testimony?	6 point max	
G. Have you represented both public and private sector clients? Are there differences in approach?	6 point max	
H. Do you have any suggestions for TJPA to consider as they initiate Goodwill Loss Appraisals?	6 point max	
I. What sources do you commonly use in determining the future growth potential of the industry in which the business operates?	6 point max	
J. What aspects of goodwill loss appraisals deal with billboards?	6 point max	

Attachment C

Evaluation Scores (100 points max)

Firm	Panelist 1	Panelist 2	Panelist 3	Total Score
Desmond, Marcello & Amster	99	97	100	296
Donna Desmond Associates	93	94	96	283
Sanli, Pastore & Hill	94	84	93	271

Interview Scores (60 points max)

Firm	Panelist 1	Panelist 2	Panelist 3	Total Score
Desmond, Marcello & Amster	58	56	58	172
Donna Desmond Associates	56	58	57	171
Sanli, Pastore & Hill	53	52	56	161