



City of Arts & Innovation

City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: APRIL 27, 2021**

FROM: FINANCE DEPARTMENT **WARDS: ALL**

SUBJECT: APPROVE A PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH HR&A ADVISORS, INC TO PROVIDE ADVISORY SERVICES FOR THE CITY TO EVALUATE AND EXECUTE A PUBLIC-PRIVATE PARTNERSHIP – INTERDEPARTMENTAL TRANSFER

ISSUE:

Approval of a Professional Consultant Services Agreement with HR&A Advisors, Inc. to provide advisory services for the City to evaluate and execute a public-private partnership.

RECOMMENDATIONS:

That the City Council:

1. Approve the Professional Consultant Services Agreement with HR&A Advisors, Inc. utilizing Purchasing Resolution 23256, Section 702 (k) to provide advisory services for the City to evaluate and execute a public-private partnership;
2. Authorize the City Manager, or his designee, to execute the Agreement with HR&A Advisors, Inc. including making minor and non-substantive changes; and
3. With at least five affirmative votes, approve an interdepartmental transfer of projected General Fund City Manager Non-Personnel Sundry/General Government savings in the amount of \$100,000 to the General Fund – Community & Economic Development Department's Riverside Alive project account.

BACKGROUND:

In September 2019, a request for proposal (RFP 1972) was released seeking qualified entities or individual (“Company” or “Consultant”) to provide the services of a Public-Private Partnership (P3) consultant to assist the City in strategic planning, project vetting, and other matters related to the formulation and execution of the City’s first ever P3 project (P3 Advisory Services Project). The City anticipated selecting one firm to perform the services. Six responsive bids were received, resulting in HR&A being ranked the highest based on proposal and cost.

In July 2020, RFP 1972 was canceled due to budget constraints brought on by the Covid-19 Pandemic. At that time, the Purchasing Division formally notified all vendors through Planet Bids of the cancellation.

DISCUSSION:

The City is seeking City Council approval to award a Professional Consultant Services Agreement with a consultant to assist in the process of considering a Public-Private Partnership (P3) as an alternative delivery method for development of mixed-use hotel, residential, retail, office, Convention Center expansion, public amphitheater, and a new parking garage project. The City's focus, when considering P3s, is on risk allocation and management efficiencies intrinsic to experienced private development teams, particularly those that specialize in a specific building type.

Since a request for proposal (RFP 1972) was completed and HR&A Advisors, Inc. was evaluated and rated the highest-ranked vendor, the City is recommending a bid award from this formal procurement process. The alternative option would be the issuance of a new RFP which will add several weeks to a possible bid award. Because this project has the potential for substantial benefits to the City and time is of the essence, the City recommends awarding HR&A the bid using Purchasing Resolution 23256, Section 702 (k) which states that "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required when the Awarding Entity waives bidding requirements under and according to the circumstances set forth in Section 1109 of the City Charter, or when it is determined by the Manager to be in the best interest of the City to do so." This bid award is crucial to the financial success of the project while ensuring the City mitigates potential risk as much as possible.

FISCAL IMPACT:

The fiscal impact for this service is not to exceed One Hundred Thousand Dollars (\$100,000). The City Manager is projected to have non-personnel savings for FY 2020/21 in its Sundry/General Government account and has agreed to transfer a portion of its non-personnel budget to the Community & Economic Development Department to fund this project. With City Council approval, funds will be transferred and appropriated to the General Fund, Community & Economic Development Department's Riverside Alive project account 9918900-421000.

Prepared by: Edward Enriquez, Chief Financial Officer/Treasurer

Certified as to

availability of funds: Kristie Thomas, Assistant Chief Financial Officer

Approved by: Moises Lopez, Deputy City Manager

Approved as to form: Kristi J. Smith, Interim City Attorney

Attachments:

1. Award Recommendation
2. HR&A Advisors, LLC Agreement