

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with Cushman & Wakefield and Commercial Quest NW, Inc. for Real Estate Broker Services.

Board Meeting Date: 11/6/2018

Project Name/Contract #: Real Estate Broker Services #033-2018

Primary Contact: Lisa McLaughlin Ext. 7450

Contract Amount:

Original Contract Amount: Not to Exceed \$150,000 each over 5 years

Additional \$ Previously Approved: \$0

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: Not to Exceed \$150,000 each

Resulting Cumulative Total: Not to Exceed \$150,000 each over 5 years

Contracting Method:

Method of Solicitation: Formal Request for Proposals (RFP)

If applicable, basis for exemption: n/a

Term of Agreement: **Five Years**

Option to Renew? No

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range): Consulting Services - \$100 to \$350 per hour, Sales Commission – 5%

Selection Basis: Awarded based on evaluation criteria defined in the RFP

Narrative:

Operational Requirement and Alignment with Strategic Plan

Managing EWEB-owned properties to effectively meet customer needs directly aligns with the Strategic Plan initiatives related to cost improvement and safe and reliable delivery of services. This includes acquiring properties that are necessary to develop and/or maintain critical infrastructure. This work also aligns with the Property Department's Policy and Procedures and the Board direction to surplus and sell unused and un-needed properties. Although EWEB received valid RFP responses from these two firms, neither firm has offices nor brokers within EWEB's service area. Because local knowledge is beneficial when conducting real estate transactions, we determined that EWEB should also contract directly with a minimum of two local firms offering expertise in commercial and/or residential real estate. For transparency reasons, all four contracts will be presented for Board approval at the same time. Where larger more complex acquisitions or dispositions are contemplated, the regional/national marketing and consultation expertise provided by these two firms may be useful.

Contracted Goods or Services

These firms will provide real estate services on an as needed basis. Services may include commission based sales of surplus property, market analysis, lease negotiations, and acquisition of real property.

Prior Contract Activities

EWEB has not contracted with either firm in the past.

Purchasing Process

In July 2018, Staff issued a formal request for proposals seeking responses from firms interested in providing real estate broker services. Valid proposals were received from Commercial Quest NW, Inc., and Cushman and Wakefield. Staff anticipated multiple awards. After scoring based on evaluation criteria that included experience, key staff proposed, references, and pricing structure, the committee determined that Cushman and Wakefield and

Commercial Quest NW, Inc. are both contract awardees. This is a five-year contract with purchases made as-needed.

Bidder/Proposer Information

Commercial Quest NW
Cushman Wakefield

Bidder/Proposer Location

Bend, Oregon
Portland, Oregon

Fee schedules were provided by each firm. Consulting at hourly rates range from \$100 to \$350. Commission for sales and purchases of real property are 5% of sale price for properties up to \$5 Million. Lease commission rates depend on the type of lease and adjust as they apply to the first, second, or third 5-year terms. Commercial Quest/Carpenter Robbins includes commission on the first ten years only. Cushman and Wakefield sets a commission on up to three 5-year terms or 15 years total. The consulting fees and commission costs of these two firms are substantially higher than the payment terms from Windermere Real Estate and Evans, Elder, Brown & Seubert, Inc.

ACTION REQUESTED:

Management requests the Board approve a contract with Cushman Wakefield and Commercial Quest NW, Inc. for real estate broker services. Funds for anticipated work will be budgeted in the year in which the work is expected to occur. The total Energy Division O&M budget after removing Energy (purchased power) fuels and wheeling is \$17.5 Million.