

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with Windermere Real Estate for real estate broker services.

Board Meeting Date: 11/6/2018

Project Name/Contract #: Real Estate Broker Services

Primary Contact: Lisa McLaughlin Ext. 7450

Contract Amount:

Original Contract Amount: Not to Exceed \$150,000 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

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

Contracting Method:

Method of Solicitation: Direct Negotiation

If applicable, basis for exemption: Exemption Rule 6-0110(1f)

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): N/A

Selection Basis N/A

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 two valid responses to an RFP, neither firm had offices or 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.

Contracted Goods or Services

Windermere Real Estate 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

None.

Purchasing Process

Windermere Real Estate is contracted through direct negotiation based on EWEB Rule 6-011-(1f), which allows a contract to be exempted from the solicitation process if the services are for the buying or selling of real estate.

Direct Contracting with firms for consulting services not directly tied to purchase and/or sale transactions is also appropriate under the Personal Services rule.

Bidder/Proposer Information

Windermere Real Estate did not provide an hourly rate for consultation. The Commission rate quoted for sales and

purchases of real property will be 2.5% of sale price. Lease commission will be 2.5% of the aggregate revenue for the original term. The commission rates provided are lower than the costs of services as described within the proposals from the firms awarded contracts through the RFP and slightly higher than those provided by Evans, Elder, Brown and Seubert, Inc.

ACTION REQUESTED:

Management requests the Board approve a contract with Windermere Real Estate 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.