



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 12/5/2017

Agenda Placement: 6K

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Steven Lederer - Director of Public Works
Public Works

REPORT BY: Liz Habkirk, Deputy Dir. of PW-Gen Services - 259-8321

SUBJECT: Amendment No. 3 to Agreement No. 170577B (Formerly 8049) with Collier International

RECOMMENDATION

Director of Public Works requests approval of and authorization for the Chair to sign Amendment No. 3 to Agreement No. 170577B (Formerly No. 8049) with Colliers Parrish International extending the term of the agreement, increasing the hourly rate for consulting services from \$215 per hour to \$250 per hour and establishing a maximum annual amount for hourly services, clarifying the scope of work, and reducing the commission amounts for sale or lease to 2.5% from 5%.

EXECUTIVE SUMMARY

On November 1, 2013, the Board of Supervisors entered into an agreement with Colliers International following a competitive bid process. The County solicited proposals from firms to provide the County with all of the services, supervision, labor and equipment of a real estate broker/firm to assist in the purchase, sale, and/or lease of real property and land required to meet the needs of the County for a period of three years.

The agreement has been amended twice. Once in order to increase the scope to include the location of property for County needs and another to extend the term. Today's third amendment is recommended in order to clarify the scope of work to better detail the County's use of Colliers to assist in consultation of property matters, negotiating both the sale and purchase of properties, negotiating the leasing of County properties and the leasing of private properties for County use. The amendment also increases the hourly compensation for consultation purposes not resulting in the sale/leasing of a property from \$215 to \$250 per hour and establishes an annual maximum for these services. It also reduces the commission basis received for lease or sale of properties to no more than 2.5% from 5%, and extends the term through December 31, 2020.

Colliers is not a local vendor.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Public Works Administration pays for costs related to real estate activities. Sale and purchase commissions are paid from the property exchange receipts.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The County frequently engages in real estate activities on both a large and small scale with the sale and leasing of properties. There are no dedicated County staff for real estate purposes and outside consultation by a professional broker is needed to ensure the County maximizes revenue potential and negotiates comprehensive agreements.
Is the general fund affected?	Yes
Future fiscal impact:	Recently, real estate activities and contract management were transferred to the Public Works Department. Future fiscal years budgets will include the costs associated with the Colliers agreement. Additionally, the overall commissions paid by County upon the sale or leasing of real property will be reduced thus allowing additional net receipts to be transferred to the General Fund.
Consequences if not approved:	Staff would not have contracted real estate expertise to rely on in the sale, purchase, and leasing of a variety properties currently under negotiation and anticipated over the next three years.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

On November 1, 2013, the Board of Supervisors entered into an agreement with Colliers International following a competitive bid process. The County solicited proposals from firms to provide all of the services, supervision, labor and equipment of a real estate broker/firm to assist in the purchase, sale, and/or lease of real property and land required to meet the needs of the County for a period of three years. Statements were reviewed by a committee. Qualifications including specific experiences and successes, references, fees and familiarity with services requested were considered. The following services were requested of the applicants:

- | Making recommendations on County property for the purposes of leasing.
- | Marketing and leasing of Dey Labs property on behalf of the County.
- | Provide analysis and recommendations on certain County owned properties as requested by the County.

- I Provide typical real estate brokerage services as directed by the County including opinions of value, consulting services, participation in property inspections leasing, acquisition and sales of real property.

The County received three proposals in response to the Statement of Qualifications and Colliers International was selected as the successful bidder and entered into agreement No. 8049. The agreement has been amended twice. Once in order to increase the scope to include the location of property for County needs and another to extend the term. through November 30, 2018.

Today's third amendment is recommended in order to clarify the scope of work to better detail the County's use of Colliers to assist in consultation of property matters, negotiating both the sale and purchase of properties, negotiating the leasing of County properties and the leasing of private properties for County use. The amendment also increases the hourly compensation for consultation purposes not resulting in the sale/leasing of a property from \$215 to \$250 per hour and establishes an annual maximum for these services of \$35,000 per exclusive property agreement. Situations in which a final sale or leasing of property occurs culminating in a commission any hourly charges assessed by Colliers will be credited toward the total final commission paid by County. It also reduces the commission basis received for lease or sale of properties to no more than 2.5% from 5%, except in cases where the other party does not have a broker in which case the commission can be up to 3%. It also extends the term through December 31, 2020.

The County currently has two properties that the Board has deemed surplus, 933 Water Street and 2521 Old Sonoma Road. The Water Street property has been offered for sale through an RFP process with bids now expected on January 11, 2018. The Old Sonoma Road property has been offered to other governmental agencies and housing sponsors per Government Code Sec. 54227 with three agencies expressing interest. In addition, the Napa County Airport is seeking tenants at the facility formerly housing IATA.

Colliers is not a local vendor.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Bret Prebula