

County of Santa Clara
Facilities and Fleet Department



97608

DATE: August 13, 2019

TO: Board of Supervisors

FROM: Jeffrey D Draper, Director, Facilities and Fleet

SUBJECT: Fifth Amendment to Hulberg & Associates, Inc./Valbridge

RECOMMENDED ACTION

Approve retroactive Fifth Amendment to Agreement with Hulberg & Associates / Valbridge relating to providing property appraisal services increasing the maximum contract amount by \$100,000 from \$500,000 to \$600,000, and extending the agreement for a six-month period through December 31, 2019, that has been reviewed and approved by County Counsel as to form and legality. An exception to Board of Supervisors Policy 5.4.5.4, Length of Term of Contracts, has been approved by the Office of Countywide Contracting Management.

FISCAL IMPLICATIONS

Funds for any work performed under this agreement are already available in the Fiscal Year (FY) 2020 Facilities and Fleet Department (FAF) Budget.

CONTRACT HISTORY

On July 9, 2014, the Director of Procurement approved and executed a Service Agreement (SA) with Hulberg & Associates / Valbridge (Hulberg). The award resulted from the issuance of an Informal Competitive Process (ICP) for on-call appraisal services (FAF-ICP-FY14-Property Management) on May 2, 2014.

Subsequent Amendments to the SA increased the maximum amount payable to Hulberg to \$500,000 and extended the term of the SA through July 2, 2019.

REASONS FOR RECOMMENDATION

Reason(s) for approval of amendment:

The County's need for independent appraisal services has increased significantly due to recent Board directives to evaluate and acquire real estate assets. While FAF is in the process of procuring a new appraisal services contract, the most recent contract for Hulberg expired on July 2, 2019. It is expected the new contract will be in place by the last Board meeting of this calendar year. In the interim, a retroactive extension beyond its current five-year term is needed to allow for due diligence on possible real estate acquisitions to proceed.

Pursuant to Board of Supervisors (Board) Policy 5.8.5.1 and 5.6.5.1 (C)(2): All contracts and amendments for services that have a cumulative total value of more than \$300,000 per budget unit must be approved and signed by the Board.

Reason(s) for exception to Board Policy:

Pursuant to Board Policy 5.4.5.4, exceptions to the maximum five-year term of contracts must be approved by OCCM. Attached to this Legislative File is a copy of OCCM's approval of the exception.

CHILD IMPACT

This action will have no/neutral impact on children and youth.

SENIOR IMPACT

This action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

This action will have no/neutral sustainability implications.

BACKGROUND

On May 2, 2014, FAF issued Solicitation #FAF-ICP-FY14-Property Management (Solicitation) to five firms: The Schmidt-Prescott Group, Hulberg, J Kaeuper & Company, Carneghi-Blum & Partners, Inc., and Wendell Kerr & Associates. The Solicitation was issued to these firms based on their presence in the Bay Area, MAI appraisers' certification, and their experience in the valuation of commercial, industrial, residential, and other types of real estate.

On May 30, 2014, FAF received four proposals in response to the Solicitation from the Schmidt-Prescott Group, Hulberg, J Kaeuper & Company, and Carneghi-Blum & Partners, Inc. The Evaluation Committee reviewed the written proposals based on the criteria set forth in the solicitation:

- Proposer strength, experience, reputation and references
- Proposer understanding of the contract requirements
- Proposer ability to meet the business and functional needs (including time commitment)

After reviewing the four proposals the Evaluation Committee determined that Hulberg presented the best value for the County.

CONSEQUENCES OF NEGATIVE ACTION

The amendment would not be approved at this time.

STEPS FOLLOWING APPROVAL

Notify Shawn Witaschek and Loretta Smith of FAF.

Send a hardcopy of a fully executed Amendment to Shawn Witaschek at Facilities and Fleet Department, 2310 North First Street, Suite 200, San Jose, CA 95131.

ATTACHMENTS:

- Amendment_5_Hulberg_Valbridge (PDF)
- Amendment_5_Hulberg_Valbridge_Coversheet (PDF)
- Beyond_5_Year_Term_Request_Hulberg_Valbridge (PDF)