

Management Committee

Meeting date: June 12, 2019

For the Metropolitan Council meeting of June 12, 2019

Subject: Master Contracts for Outside Appraisal Services – 18P383

District(s), Member(s): All

Policy/Legal Reference: Metropolitan Council Policy 3-3 Expenditures more than \$500,000; Real Estate Policy 3-10

Staff Prepared/Presented: Mary Bogie, Chief Financial Officer, 651-602-1359; Michael E. Stupka, Real Estate Appraiser, 651-602-1537

Division/Department: Regional Administration, Finance, Real Estate

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to award and execute six master contracts under contract number 18P383, totaling \$1,600,000 over a five-year period. The work is for appraisal services for the acquisition and disposition of real property on an as-needed basis. The individual contract amounts are listed below:

- Integra Realty Resources not to exceed \$300,000
- Lake State Realty Services, Inc. not to exceed \$275,000
- Patchin Messner Valuation Counselors not to exceed \$275,000
- GTRE Commercial Valuation & Advisory Services not to exceed \$250,000
- Kelly Lindstrom, Certified General Appraiser not to exceed \$250,000
- RLS Valuation, Inc. TaTonka Real Estate Advisors not to exceed \$250,000

Background

The Real Estate Department supports acquisition and disposition of real estate parcels as needed Council wide. The acquisitions take place in various forms from fee simple purchases to temporary and permanent easements needed for capital improvements and maintenance and rehabilitation of aging improvements. The acquisitions and dispositions are regulated by statute to take place at market value. The master contracts aid in determining a fair and equitable value for both property owners and the Council. These master contracts are replacing previous five-year contracts for outside appraisal services.

A Request for Proposal was issued on January 31, 2019. Thirteen proposals were received on March 14th. An Evaluation Panel was convened and reviewed the proposals based on the following criteria: quality, qualifications/experience, service delivery plan, and price. The panel reached consensus that the six highest rated proposals were the most advantageous to meet the Council's needs.

The work from these master contracts will be awarded on an as-needed basis, as requested, and authorized by the Council over a four-year period.

The Office of Equal Opportunity did not assign a goal to this project; however, Procurement proactively notified all 334 individuals and firms actively holding Certified General Appraiser Licensure, a requirement of the Request for Proposal, in the seven-county metro area. Metropolitan Council Underutilized Business (MCUB) vendors from the MCUB Directory holding the level of licensure required were notified of the opportunity and encouraged to attend the pre-proposal meeting to learn more about the project. Two of the six awarded contracts, Kelly Lindstrom and Lake State Realty Services, are certified MCUB vendors.

Rationale

The Council has successfully utilized Master Contracts for real estate valuations and services. These services will be utilized when timeline for condemnation and project start times cannot be met by Council staff, or when a conflict of interest may be claimed by property owners.

Thrive Lens Analysis

Accurate and credible valuations at competitive prices will aid the Council in all aspects of the Thrive vision. Easement valuations for maintaining wastewater infrastructure advances our visions of Stewardship. Acquiring needed real estate for transit, parks and environmental services at credible market values advances our mission of prosperity and equity. Acquiring and the disposition of real estate at credible market values advances our vision of livability as residents of our region will be treated fairly and equitably. With several valuation specialists on our contract we can bid projects to make sure that valuation costs will be competitive as members of our region expect us to be accountable for the use of our resources.

Funding

Funding is available through the Operating Budget of each division. Funds for this contract are included in the project budget and are eligible project costs that will be funded 50% by the Federal Transit Administration and 50% by local funding partners.

Known Support / Opposition

None

