



CITY COUNCIL AGENDA REPORT

MEETING DATE: 5/21/2024

DEPARTMENT: City Manager

SUBJECT:

AWARD OF CONTRACT FOR SHOPPING CENTER ANALYSIS CONSULTING SERVICES

RECOMMENDED ACTION(S):

1. Award a Professional Consultant Services Agreement for Shopping Center Analysis Consulting Services in the amount of \$92,010 to Kosmont Companies ("Kosmont").
 2. Authorize the Mayor to sign, and the City Clerk to attest, the award of contract to Kosmont, substantially in the form attached.
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EXECUTIVE SUMMARY:

The Economic Development Division ("Division") consistently pursues business attraction, retention, and expansion as its primary objectives. Findings from the 2023 Community Satisfaction Survey ("Survey") included attracting new restaurants and stores as the most common specific suggestion provided by residents. As part of the City's Strategic Business Plan ("Strategic Plan"), adopted June 20, 2023, the City included Initiative SP #14 – Shopping Center Study to address the suggestions provided through the Survey.

In December 2023, staff initiated a Request for Proposal ("RFP") procurement process. As a result, the City received proposals from four firms. The selection committee evaluated proposals through the three RFP phases: technical review, qualification interview, and cost proposal assessment. Kosmont's proposal received the highest ranking, reflecting the firm's expertise and alignment with the City's objectives.

Staff recommends awarding the proposed Professional Consultant Services Agreement for Shopping Center Analysis Consulting Services ("Agreement") to Kosmont, with a compensation amount of \$92,010 (Attachment 1). Kosmont's comprehensive approach is supported by favorable references and a proven track record working with cities. The proposed Agreement term is for one-year with two optional one-year extensions. The proposed Agreement was prepared by the Finance department and approved as to form by the City Attorney.

Sufficient funds are included in the 2023-2025 Operating Budget to cover the costs of the recommended action.

BACKGROUND:

The Division has consistently focused on business attraction, retention, and expansion as its core objectives. Results from the 2023 Community Satisfaction Survey indicate significant demand for new businesses and restaurants in Lake Forest. Addressing this need has become a priority for the enhancement of our community and economic growth. According to the Survey, 12% of residents listed “Attract new restaurants, stores” as a change to improve the city. The current offerings in our area are perceived as limited, and there is a strong consensus that attracting new businesses/restaurants would improve overall satisfaction and meet the evolving needs of our community. To achieve the Division’s objectives and address community input, the City included Initiative SP #14 – Shopping Center Study in the City’s Strategic Plan, which was adopted June 20, 2023. The initiative aims to produce a technical report that assesses the City’s current shopping center inventory and recommends transition or re-tenant options based on shopper preferences and other economic trends.

DISCUSSION:

The City Manager reviewed and approved the RFP for a Shopping Center Analysis Consultant to be released on December 12, 2023. Four proposals were received in response to the RFP from the following firms:

- HdL
- Kosmont
- Robert Charles Lesser & Co, LLC d/b/a RCLCO (“RCLCO”)
- The Retail Coach

Consistent with the City’s Purchasing and Contracting Guidelines (“Purchasing Guidelines”), staff assembled a selection committee approved by the City Manager to review proposals and participate in the interview phase of the selection process. Four evaluators were a part of the Technical and Qualifications Review of each proposal. The Selection Committee was comprised of the following staff:

Technical Proposal Review and Interview Evaluators:

- Assistant City Manager
- Director of Community Development

- Economic Development/Housing Manager
- Management Assistant

Review Process:

The review process is comprised of three phases: the Technical Review of written proposals, the Qualifications Interview, and the Revised Cost Proposal evaluation. A firm must receive an average of 60 points (60%) or higher, in the Technical Review phase to move on to the Qualifications Interview phase. All four firms scored at least a 60-point average score from the Technical Proposal Review. The results of the Technical Review phase are summarized in Table 1 below.

Table 1: Technical Review Phase Scoring

Firm	Technical Review Rater				Total
	1	2	3	4	
HdL	71.5	66.5	94.5	60	73.13
Kosmont Companies	73.5	77.5	98	82	82.75
Robert Charles Lesser & Co, LLC d/b/a RCLCO	80	68.5	91.5	72	78
The Retail Coach	64	65.5	85.5	60	68.75

Pursuant to the City's Purchasing Guidelines, the City invited the firms that scored a minimum of 60 points for an interview to discuss their respective approaches to the requested services. Interviews were conducted February 27 and February 28, 2024. Following the Qualifications Interviews and subsequent scoring by the Selection Committee, the Purchasing Coordinator reviewed the cost proposals. The Qualifications Interview and Cost Proposal Evaluation phase scoring is reflected in Table 2.

Table 2: Interview and Costing Review

Firm	Technical Review Rater				Total
	1	2	3	4	
HdL	118.8	122	123.6	110	118.6
Kosmont Companies	142	158	157.2	142	149.8
Robert Charles Lesser & Co, LLC d/b/a RCLCO	145.6	139.2	154.4	152	147.8
The Retail Coach	140.8	148	157.6	136	145.6

Including the cost proposal component, Kosmont received the highest ranking in the proposal review process. Table 3 shows the total cost for the firms that made it to the Qualifications Interview and Cost Proposal Evaluation phase.

Table 3: Compensation Costs of Proposed Agreement

Firm	Cost
HdL	\$203,000
Kosmont Companies	\$92,010
Robert Charles Lesser & Co, LLC d/b/a RCLCO	\$304,610
The Retail Coach	\$62,500

Recommend Consultant – Kosmont:

Kosmont is a real estate, financial advisory and economic development services firm offering a full range of services including real estate and financial advisory; economic development strategies; public/ private project transactions; sustainable infrastructure; housing projects; and market studies and economic analysis for the public, non-profit, and private sectors. Founded in 1986, Kosmont is a nationally recognized expert in economic development, public/ private finance, and real estate development projects involving government and private sector partnerships.

Staff believes the firm's allocation of resources, project management schedule, and experienced personnel differentiated Kosmont from the other proposers. The project team includes key personnel, including the President and Project Manager, with experience working with several California and South County clients.

Staff conducted a reference check with other local agencies that have contracted Kosmont for related analysis or studies. Staff found the reference check to be positive and overall indicative of an effective and useful service offering (Attachment 2).

Proposed Agreement:

Staff recommends the City Council award the proposed Agreement to Kosmont with a compensation amount of \$92,010. The Agreement was prepared by Finance staff and has been reviewed by the City Attorney and approved as to form. The term of the Agreement is for one-year with two optional one-year extensions. Staff anticipates that it will take approximately one year to complete the initial deliverables outlined in the Scope of Work. Should the City Council choose to award the proposed Agreement with Kosmont, staff would begin working with the consultant to begin the analysis.

FISCAL IMPACT:

The proposed Agreement includes a total compensation amount of \$92,010. The term of the Agreement is for one-year with two optional one-year extensions. Sufficient funds exist in the 2023-2025 Operating Budget.

ATTACHMENTS:

1. Agreement for Professional Consultant Services with Kosmont Companies
2. Reference Check for Kosmont Companies

Initiated By: Hope Hairrell, Management Assistant
Submitted By: Keith Neves, Assistant City Manager
Approved By: Debra Rose, City Manager