

# Property Management Services

---

## Request for Proposal

---

*July, 2017*



***Orange County Employees Retirement System (OCERS)***

2223 E Wellington Avenue Suite 100

Santa Ana, CA 92701 USA

1-(714)-558-6200

<http://www.ocers.org>

# Contents

---

- Section 1: Introduction..... 3
- Section 2: General Information ..... 3
- Section 3: Background..... 3
- Section 4: Scope of Services ..... 4
- Section 5: OCERS’ Point of Contact ..... 6
- Section 6: Vendor Response ..... 7
- Section 7: Proposal Requirements ..... 7
- Section 8: Review and Evaluation Criteria ..... 9
- Section 9: Right to Reject Proposal ..... 9
- Section 10: Incomplete Responses..... 9
- Section 11: Schedule of Events.....10
- Section 12: Facility Tour .....10
- Section 13: Addenda .....10
- Section 14: Non-Discrimination Requirement .....11
- Section 15: Notice Regarding the California Public Records Act and the Brown Act.....11
- Section 16: Engagement Agreement .....11
- Section 17: General Conditions .....11
- Section 18: Reservations by OCERS.....12

## Section 1: Introduction

The Orange County Employees Retirement System (OCERS) is issuing this Request for Proposal (“RFP”) to solicit proposals from qualified firms to provide real estate property management services. In general, the Property Manager selected as a result of this process will provide rent collection, eviction, inspection, maintenance and repair, tenant move in/out, financial services, and work cooperatively with the OCERS staff and consultants to manage the property referenced below.

OCERS was established in 1945 under the provisions of the County Employees Retirement Law of 1937, and provides members with retirement, disability, death, and cost-of-living benefits. There are approximately 42,000 members served by OCERS, of which over 15,000 are retirees. The OCERS Board of Retirement (Board) consists of nine members, four of whom are appointed by the County’s Board of Supervisors, four are elected by the active members of OCERS, and one, the County Treasurer, who serves as an ex officio member. There is also one elected alternate member. The Board has plenary authority and fiduciary responsibility for the investment of assets of the pension fund and administration of the retirement system. OCERS has approximately 75 employees at one physical location, 2223 E. Wellington Ave., Suite 100, Santa Ana, CA 92701.

## Section 2: General Information

All terms, conditions, requirements and procedures included in the RFP must be met for a response to be qualified as complete. A submission that fails to meet any material term, condition, requirement or procedure of this RFP may be disqualified. OCERS reserves the right to waive or permit cure of non-material errors or omissions. OCERS reserves the right to modify, amend, or cancel the terms of the RFP at any time. All responses must be submitted in accordance with the specific terms of this RFP. The submission requirements for this RFP are set forth below. A proposal shall constitute an irrevocable offer for 120 days following the deadline for submission. Reference to a certain number of days in this RFP shall mean business days unless otherwise specified.

If a firm responding to this RFP discovers an ambiguity, conflict, discrepancy, omission or other error in this RFP, notice should be provided to [jdoezie@ocers.org](mailto:jdoezie@ocers.org). OCERS is not responsible for, and has no liability for or obligation to correct any errors or omission in this RFP.

## Section 3: Background

OCERS is soliciting proposals to find a qualified firm to provide real estate property management services for the OCERS office building located at 2223 East Wellington Avenue, Santa Ana, CA 92701. This three-story building houses OCERS operations on the first two floors. The third floor is office space currently rented to private tenants. The remainder of this RFP provides information about OCERS and establishes the specifications and requirement for submitting a proposal.

The referenced property is an office building of approximately 49,000 square feet on three (3) floors that was built in 1980. It sits on approximately 2.86 acres and includes adjacent exterior parking and two elevators. The building is 100% occupied.

The subject property is currently owned by 2223 Wellington Place Corporation (the Corporation), an entity wholly-owned by OCERS. The agreement that results from this RFP may be either in the name of OCERS or the Corporation, as determined by OCERS at the time of the agreement, and may be assigned from time to time by OCERS, the Corporation, or their wholly-owned affiliates.

## Section 4: Scope of Services / Requirements

The firm selected to provide property management services will be expected to meet the requirements and provide the services set forth below:

1. The selected firm must be a professional firm whose primary line of business includes property management services. Alternatively, the firm must have expertise in property management services if those areas are not their primary line of business.
2. The firm must have been in existence as a business entity performing such services for a minimum of five (5) years. The firm must have experience with performing property management services for similarly-sized properties.
3. The firm must have all necessary permits and licenses to perform the requested service. The selected firm must be bonded where applicable.
4. Minimum insurance coverage must include the following items and proof of such insurance must be provided to OCERS on an annual basis. OCERS must be listed as an additional insured payee:
  - Commercial General Liability: \$2M per occurrence, \$2M aggregate
  - Automobile Liability: \$1M per occurrence, \$2M aggregate
  - Workers Compensation: \$1M per occurrence, \$1M aggregate
  - Professional Liability (Errors & Omissions): \$2M per occurrence, \$3M aggregate
  - Umbrella Liability: \$8M per occurrence, \$8M aggregate
  - Pollution & Remediation Legal Liability: \$5M per occurrence, \$25M aggregate
5. The selected firm shall provide all personnel, equipment, tools, materials, vehicles, supervision, and other items and services necessary to perform all services, tasks, and functions as defined in this RFP. The selected firm shall provide guidance and coordination with OCERS staff to endure effective and economical operation of all facility actives.
6. Core skills include comprehensive knowledge and understanding of relevant property management laws and operations in California, excellent oral and written communication skills, sound judgment, the ability to work well with and maintain the confidence of the OCERS Board and staff, and the ability to deliver services in a timely and cost effective manner.
7. The selected firm shall comply with all Federal, State, and Local laws and follow the most restrictive guidance in cases of conflicting guidance. All work shall be performed in accordance with all applicable laws and codes, manufacturers' recommendations, and accepted industry standards.
8. The initial term of the contract awarded pursuant to this RFP will be for a three (3) year period with OCERS retaining three (3) one-year options to renew. Contractor will be notified ninety (90) days prior to the expiration or renewal of the contract.
9. In general, normal business hours of operations are from 08:00 to 17:00 Monday through Friday, except for Federal and State holidays.
10. The selected firm shall provide a dispatch function twenty-four (24) hours a day, seven (7) days a week. The firm shall accept work requests from designated OCERS staff and, for rented space, staff designated by tenants. Requests from other sources, except in an emergency, must be approved by designated OCERS staff prior to the start of work.

11. Any disruption of building services requires prior approval. The firm shall coordinate scheduled outages with OCERS staff and affected tenants prior to the commencement of work. Such notification shall be made for disruptions of any services (such as utility outages, road or facility closures, etc.), or disruptions caused by any maintenance or construction work. Notification of affected downtime due to emergency outages or interruptions is expected.
12. Firm personnel shall present a clean, neat, and professional appearance and be easily recognized as the firm's employee(s). At the minimum the firm shall ensure all employees exhibit an identifying badge or patch, which shall include the company name and employee name. Each employee shall wear the badge or patch on the front outer clothing. The badge shall be visible at all times.
13. Adherence to the applicable Occupational Safety and Health Act (OSHA) standards will be mandatory for this contract. The firm shall comply with all Federal, State and Local laws and statues concerning safety. The firm shall manage all work areas to endure the safety of building occupants, employees, and visitors in, or near, the property.
14. The firm shall provide assistance in planning, assignment, and movement of office equipment and furnishings for the facility.
15. **Property Management Details:**
  - Supervise onsite engineering and day porter personnel;
  - Supervise vendor services and contract administration as it pertains to property management.
  - Administer leases and enforce tenants' leasehold obligations.
  - Collect and monitoring proof of insurance for tenants and vendors.
  - Field tenant work order calls, dispatch, and follow up as appropriate.
  - Log all tenant maintenance requests for future reference.
  - Coordinate all scheduled and unscheduled maintenance work.
  - Communicate to OCERS and tenants regarding building issues that will affect them (i.e. work being conducted to elevators, window washing, lobby floor maintenance, etc.).
  - Provide property inspections and tours.
  - Handle tenant relations.
  - Provide monthly comprehensive janitorial and engineering inspections.
  - Coordinate tenant events.
  - From time to time, review existing building rules and regulations and present recommendations to OCERS to modify existing rules and regulations deemed appropriate.
  - Meet with OCERS staff to discuss status of repair items.
  - Coordinate and supervise minor tenant improvement work (i.e. paint, carpet, etc.).
  - Help coordinate annual occupant fire drill where applicable.
  - Implementation of green energy and recycling programs where appropriate.
  - Apply for rebates from utility companies for repairs and equipment that meet criteria.
  - Market available office space for lease.
  - Compile information for auditors and tax preparers on behalf of OCERS.
  - File Federal and State tax forms when applicable.
  - Work with the City of Santa Ana on any ADA/Code compliance issues that may arise
  - Collect monthly operating expense reimbursement.
  - Prepare monthly narrative regarding property operations, financial results, delinquencies, and etc.
  - Provide project management for major tenant improvements and capital items, which will be scheduled and entered into under a separate agreement.

- Identify and address emergency situations immediately upon occurrence and provide follow-up remediation while keeping the OCERS staff informed
- Supervise and arrange the routine maintenance and minor repairs of the property including arrangement of janitorial and landscaping services
- Provide services to ensure that grounds look their very best for VIP visits and special events. Special events may require setup of furniture, moving of furniture, decorations, etc. The OCERS staff will notify the firm as soon as a VIP visit or special event requirements are known.
- Provide property and parking lot security.

#### 16. Accounting / Financial Reporting Details:

- Prepare annual operating budget and a five (5) year capital plan. This includes suggested capital improvements and detailed suggestions for the improved operation of the property with a detailed narrative.
- Calculate operating expense estimates for each tenant.
- Collect monthly operating expense reimbursement.
- Provide accounts receivables duties.
- Approve and input all invoices on a daily basis.
- Review monthly funding requests and modify according to approved projects within the building.
- Calculate quarterly distributions to retain funds required for upcoming projects
- Collect rents.
- Follow-up on accounts receivables – bill late fees as appropriate and approved by OCERS.
- Prepare monthly financial reports including actual versus budget operating statements, accounts receivables/aging report, rent roll, security deposit ledger, and variance reports.
- Prepare and serve 3-day notices upon direction from OCERS; coordinate with owner's attorney
- Log rent checks and other receivables received for financial reporting purposes.
- Gross up of year end operating expenses and billing of triple-net expenses in accordance with tenant's lease.
- Calculate operating escrows to be billed to tenants.
- Perform periodic property valuations/appraisals.
- Procure property insurance.
- Administer bank accounts.
- Report financial information to OCERS upon request.
- Oversee property tax appeals, if appropriate

## Section 5: OCERS' Point of Contact

From the date of issuance of this RFP until the selection of one or more respondents is completed and announced, respondents are not permitted to communicate with any OCERS staff member or Board Members regarding this procurement, except through the Point of Contact named herein. Respondents violating the communications prohibition may be disqualified at OCERS' discretion. Respondents having current business with OCERS must limit their communications to the subject of such business.

---

**The Point of Contact for questions and all matters relating to this RFP is:**

**Name:** Jim Doezie

**Title:** Contracts, Risk & Performance Administrator

**Address:** OCERS  
2223 E. Wellington Ave., Suite 100  
Santa Ana, CA 92701

**Telephone:** (714) 569-4884

**Email:** [jdoezie@ocers.org](mailto:jdoezie@ocers.org)

**OCERS Website:** [www.OCERS.org](http://www.OCERS.org)

**Updates / Status:** See the OCERS website for status of the RFP and announcements. These items can also be found here:  
<http://www.ocers.org/rfp/requestforproposal.htm>

---

## Section 6: Vendor Response

It is the responsibility of the respondent to ensure that its' proposal arrives on or before the specified time and date. Failure to comply with this provision will result in disqualification of the RFP response. Proposals must be submitted to OCERS by 5 p.m. (Pacific Time Zone) by the due date stated below in the RFP Calendar. Make sure the point of contact name is included in the address.

Proposals may be submitted electronically in Microsoft Word or Adobe Acrobat PDF format to the email address noted in *Section 5*. Hard copies may also be submitted to the address noted in *Section 5*. If hard copies are submitted, please provide two (2) copies. OCERS will accept electronic, paper, or both types of submissions.

Note that responses will be subject to disclosure to the public upon written request under the California Public Records Act. See *Section 13: Notice Regarding the California Public Records Act and the Brown Act* later in this document for additional information.

## Section 7: Proposal Requirements

Proposals must include the following information:

1. A cover letter providing a statement affirming that the signatory is empowered and authorized to bind the respondent to an engagement agreement with OCERS and represents and warrants that the information stated in the proposal is accurate and may be relied upon by OCERS in considering and potentially accepting the proposal.
2. An executive summary that provides the respondent's background, experience and other qualifications to provide property management services.
3. A description of the respondent including:
  - a. Brief history including year the respondent firm was formed.

- b. Ownership structure.
  - c. Office locations.
  - d. Organization chart.
  - e. Number of employees.
  - f. Annual revenues.
  - g. Scope of services offered.
  - h. Respondent's specialties, strengths and limitations.
  - i. The respondent's experience managing commercial office properties.
  - j. Describe the accounting systems used and financial reporting methodologies.
  - k. How soon after period-end (month, quarterly, annual) are the financial results delivered?
  - l. Are the respondent's financial reports independently audited? If so, what is the name of the audit firm?
  - m. Are actual financials compared to pro-forma estimates? Is this reviewed with the owner?
  - n. An example of the respondent's financial reports.
  - o. What is the average retention rate (years of service) of the firm's other clients?
  - p. How will the firm assist OCERS with space planning and construction projects?
  - q. How will the firm ensure the building is adequately maintained?
  - r. A description of the process for routine maintenance. Provide a sample scheduled/preventive maintenance plan.
  - s. A description of the process for emergency service and project specialized work.
  - t. Describe the outside vendor services the firm typically employs.
  - u. How vendors are initially vetted? How is vendor performance monitored?
  - v. How will the firm help OCERS identify and correct potential safety risks or hazards?
  - w. Will the firm assist in investigating accidents or damage to the property? Does the firm have prior experience in this capacity?
4. The names and qualifications of fully trained and qualified staff that will be assigned to OCERS work, including a detailed profile of each person's background and relevant individual experience.
  5. At least three (3) references for which the respondent has provided property management services. Please include for each reference the individual point of contact, a summary of the work performed, and the length of time the respondent provided this service.
  6. Copies of any pertinent licenses required to deliver respondent's product or service. (i.e.: Business License)
  7. A detailed transition plan that explains the transfer from the incumbent to the selected firm.
  8. A copy of respondent's standard professional services contract.
  9. An explanation of the pricing proposal for the scope of work including pricing of fees and costs, billing practices and payment terms that would apply. OCERS does not place any limits on the approach to pricing and is open to presentation of more than one pricing alternative for the scope of work, or portions of it. This section of the response should include an explanation as to how the pricing

approach(es) will be managed to provide the best value to OCERS. The respondent should represent that the pricing offered to OCERS is, and will remain, equivalent to or better than that provided to other public pension fund and/or institutional investor clients, or should provide an explanation as to why this representation cannot be provided. All pricing proposals should be “best and final,” although OCERS reserves the right to negotiate on pricing.

10. An explanation of all actual or potential conflicts of interest that the respondent may face in the representation of OCERS. Specifically, and without limitation to other actual or potential conflicts.
11. A description of all past, pending, or threatened litigation, including but not limited to malpractice claims, and all administrative, state ethics, and disciplinary proceedings and other claims against respondent and any of the individuals proposed to provide services to OCERS.
12. Any other information that the respondent deems relevant to OCERS’ selection process.

## **Section 8: Review and Evaluation Criteria**

Respondents will be evaluated in the discretion of OCERS based upon the following factors:

1. Experience and reputation of the respondent.
2. Quality of the team proposed to provide services to OCERS.
3. Information provided by references.
4. Communications skills.
5. Pricing and value.
6. Team work, both internally and with OCERS.
7. Level of investment and commitment to the OCERS relationship.
8. The organization, completeness, and quality of the proposal, including cohesiveness, conciseness, and clarity.

The factors will be considered as a whole, without a specific weighting. The balancing of the factors is in OCERS’ sole discretion. Factors other than those listed may be considered by OCERS in making its selection. OCERS reserves the right in its discretion to request additional information from any respondent, although such requests may not be made to all respondents.

OCERS reserves the right to require one or more interviews with or personal presentations by finalists to be conducted with staff, Board Members, and/or the entire Board of Retirement.

## **Section 9: Right to Reject Proposal**

By submitting a proposal, respondents acknowledge that they have read this RFP, understand it, and agree to be bound by its requirements unless clearly and specifically noted in the response submitted. OCERS reserves the right without prejudice to reject any and all responses. OCERS reserves the right to modify the terms and requirements of this RFP. Any such changes or corrections will be posted on OCERS’ website, available at [www.ocers.org](http://www.ocers.org).

## **Section 10: Incomplete Responses**

If the information in the response is deemed to be insufficient for evaluation, OCERS reserves the right to request additional information or to reject the submittal outright. False, incomplete or unresponsive statements in connection with a submittal may be sufficient for its rejection. The selection of the fulfillment of the requirements will be determined by OCERS and such judgment shall be final.

## Section 11: Schedule of Events

Respondents are encouraged to communicate any questions regarding this RFP by the deadline stated below in the RFP Calendar. Questions should be sent in writing via email to [JDoezie@OCERS.org](mailto:JDoezie@OCERS.org). Questions and answers will be communicated to all respondents by posting a Questions Response Document on the OCERS website by the date stated in the RFP Calendar. OCERS reserves the right to modify this schedule at any time.

### RFP CALENDAR

Deliverable	Date	Time
Release of RFP	July 10 <sup>th</sup>	5:00 pm (PDT)
RFP Questions Deadline	July 21 <sup>st</sup>	5:00 pm (PDT)
RFP Answers Posted	July 28 <sup>th</sup>	5:00 pm (PDT)
Facility Tour #1	Tuesday July 18 <sup>th</sup>	9:00 – 11:00 am
Facility Tour #2	Thursday July 20 <sup>th</sup>	2:00 – 4:00 pm
RFP Submission Deadline	August 11 <sup>th</sup>	5:00 pm (PDT)
OCERS Review of RFP Submissions	August 11 <sup>th</sup> to August 25 <sup>th</sup>	
Selection of Finalists	September 1 <sup>st</sup>	
Finalists interviews	To be determined	
Service Award	To be determined	

## Section 12: Facility Tour

There will be a non-mandatory tour of the facility and surrounding area to be conducted by RSVP. The tour will be conducted two times only, unless OCERS determines a need for an additional tour. The tours will be held at 2223 E. Wellington Avenue, Suite 100, Santa Ana, CA 92701 as noted above. Bidders must confirm their attendance by 5:00 p.m., the day before the tour via email to [jdoezie@ocers.org](mailto:jdoezie@ocers.org). The tour will begin promptly at the prescribed time. The purpose of the tour will be to familiarize all respondents with the building condition, areas, and location.

## Section 13: Addenda

OCERS may modify the RFP prior to the date fixed for submission by posting, mailing, emailing or faxing an addendum to the respondents known to be interested in submitting a proposal. If any respondent determines that an addendum unnecessarily restricts its ability to bid, it must notify OCERS in writing no later than three days before the deadline for submitting bids. Failure of a respondent to receive or acknowledge receipt of any addendum shall not relieve the respondent of the responsibility for complying with the terms thereof.

## **Section 14: Non-Discrimination Requirement**

By submitting a proposal, the respondent represents that it and its subsidiaries do not and will not discriminate against any employee or applicant for employment on the basis of race, religion, sex, color, national origin, sexual orientation, ancestry, marital status, physical condition, pregnancy or pregnancy-related conditions, political affiliations or opinion, age, or medical condition.

## **Section 15: Notice Regarding the California Public Records Act and the Brown Act**

All proposals submitted in response to this RFP will become the exclusive property of OCERS. Proposals will not be returned to the respondent and will be subject to public disclosure pursuant to the California Public Records Act (California Government Code Sections 6250 et. seq., the "Act"). The Act provides generally that all records relating to a public agency's business are open to public inspection and copying, unless specifically exempted under one of several exemptions set forth in the Act.

If a respondent believes that any portion of its proposal is exempt from public disclosure under the Act, such portion must be marked "TRADE SECRET," "CONFIDENTIAL," or "PROPRIETARY." OCERS will not publicly disclose any portions so designated, provided that such designation is, in OCERS' reasonable discretion, in accordance with applicable law. Proposals marked in their entirety as "TRADE SECRET," "CONFIDENTIAL," or "PROPRIETARY" will not be honored, and OCERS will not deny public disclosure of all or any portion of proposals so marked. By submitting a proposal with specifically selected portions marked "TRADE SECRET," "CONFIDENTIAL," or "PROPRIETARY" respondent represents that it has a good faith belief that such material is exempt from disclosure under the Act, and respondent agrees to reimburse OCERS for, and to indemnify, defend and hold harmless OCERS, its officers, fiduciaries, employees and agents from and against: (a) any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to OCERS' non-disclosure of any such designated portions of respondent's proposal; and (b) any and all Claims arising from or relating to OCERS' public disclosure of any such designated portions of respondent's proposal if OCERS reasonably determines disclosure is deemed required by law, or if disclosure is ordered by a court of competent jurisdiction.

In addition to the foregoing, OCERS Board and committee meetings are subject to California open-meeting requirements set forth in the Ralph M. Brown Act (Gov. Code §§ 54950-54962) (the "Brown Act"). Respondent's proposal and/or contract (if the respondent is selected) may be presented or discussed at a public meeting of the OCERS Board (or at a Board committee meeting). Among other things, that means that, regardless of whether respondent marks portions of its proposal as "TRADE SECRET," "CONFIDENTIAL," or "PROPRIETARY," that information may be discussed or presented at a meeting that is open to the public under the Brown Act.

## **Section 16: Engagement Agreement**

OCERS will propose an engagement agreement to the successful respondent, which will contain such terms as OCERS in its sole discretion may require. In addition, the selected firm will agree that this RFP and the firm's response will be incorporated by reference into any resulting Agreement.

## **Section 17: General Conditions**

This RFP is not an offer to contract. Acceptance of a proposal neither commits OCERS to award a contract to any respondent even if all requirements stated in this RFP are met, nor does it limit OCERS' right to negotiate the terms of an engagement agreement in OCERS' best interest, including requirement of terms not mentioned in this RFP. OCERS reserves the right to contract with a respondent for reasons other than lowest price.

Failure to comply with the requirements of this RFP may subject the proposal to disqualification. Publication of this RFP does not limit OCERS' right to negotiate for the services described in this RFP. If deemed by OCERS to be in its best interests, OCERS may negotiate for the services described in this RFP with a party that did not submit a proposal. OCERS reserves the right to choose to not enter into an agreement with any of the respondents to this RFP.

## Section 18: Reservations by OCERS

In addition to the other provisions of this RFP, OCERS reserves the right to:

1. Cancel this RFP, in whole or in part, at any time.
2. Make such investigation as it deems necessary to determine the respondent's ability to furnish the required services, and the respondent agrees to furnish all such information for this purpose as OCERS may request.
3. Reject the proposal of any respondent who is not currently in a position to perform the contract, or who has previously failed to perform similar contracts properly, or in a timely manner, or for any other reason in OCERS' sole discretion.
4. Waive irregularities, to negotiate in any manner necessary to best serve the public interest, and to make a whole award, multiple awards, a partial award, or no award.
5. Award a contract, if at all, to the respondent which will provide the best match to the requirements of the RFP and the service needs of OCERS in OCERS' sole discretion, which may not be the proposal offering the lowest fees.
6. Reject any or all proposals submitted in response to this RFP.
7. Determine the extent, without limitation, to which the services of a successful respondent are or are not actually utilized.
8. The information that a respondent submits in response to this RFP become the exclusive property of OCERS. OCERS will not return any proposal or reimburse proposal preparation or submission expenses.

OCERS appreciates your time and looks forward to receiving your proposal.

All responses to this RFP must be submitted prior to the RFP Submission Deadline stated in the RFP Calendar to:

Orange County Employees Retirement System  
Attention: **Jim Doezie**, Contracts, Risk and Performance Administrator  
2223 E. Wellington Ave., Suite 100  
Santa Ana, CA 92701