



## Exhibit K- Sole Source Justification Sole Source/ Proprietary Request Form

### COUNTY POLICY ON SOLE SOURCE CONTRACTS:

*It is the policy of the County of Orange to solicit competitive bids and proposals for its procurement requirements. Sole source procurement shall not be used unless there is clear and convincing evidence that only one source exists to fulfill the County's requirements. All sole source purchases requiring Board of Supervisors approval shall be justified as meeting the sole source standard in the Agenda Staff Report. The Agenda Staff Report shall clearly state that it is a sole source procurement. The Sole Source Justification, as described below, shall be attached within the Agenda Staff Report (CPM, Section 4.4)*

### SECTION I – INSTRUCTION FOR COMPLETING THIS FORM:

1. Formal justification is required for sole source procurements when competitive bid guidelines require pricing from competing firms.
2. A written justification will be prepared by the department and approved by the department head or designee.
3. Prior to execution of a contract, the County Purchasing Agent or designee shall approve ALL sole source requests for commodities that exceed \$250,000 and services exceeding \$50,000 or a two (2) year consecutive term, regardless of the contract amount.
4. If vendor is a retired, former Orange County employee, CEO Budget shall approve the sole source request, **regardless of the sole source amount.**
5. Board approval is required for all sole source contracts for commodities that exceed \$250,000 and services exceeding \$50,000 or a two (2) year consecutive term, regardless of the contract amount.
6. The Deputy Purchasing Agent (DPA) shall retain a copy of the justification as part of the contract file.
7. Valid sole source request contain strong technological and/or programmatic justifications.
8. Sole source procurements may be approved based upon emergency situations in which there is not adequate time for competitive bidding.
9. Sole source requests for Human Service contracts will be guided by the regulations of the funding source.
10. Each question in Section III of this form must be answered in detail and signed by the department head with concurrence of the Deputy Purchasing Agent.

### SECTION II – DEPARTMENT INFORMATION

Department: <b>CEO - Corporate Real Estate</b>		Date: <b>12/28/2012</b>			
Vendor Name: <b>Vanguard Commercial Brokerage</b>		Sole Source BidSync Number: <b>080-P38000</b>			
Is the above named vendor a retired employee of the County of Orange? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", review and Approval is required from CEO Budget prior to contract execution.					
Amount: <b>\$0.00</b>	Contract Term (Dates): <b>From Date of Board Approval through One Full Year</b>	Is Agreement Grant Funded? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Funding Source: <b>100/080</b>	Percent Funded: <b>100</b>	Proprietary? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Type of Request: <input checked="" type="checkbox"/> New <input type="checkbox"/> Renewal <input type="checkbox"/> Multi-Year <input type="checkbox"/> Amendment <input type="checkbox"/> Increase <input type="checkbox"/> Retired Former Employee					
Board Date: <b>01/15/2013</b>	ASR Number: <b>13-000002</b>	If not scheduled to go to the Board explain why?			
Does Contract include Non-Standard Language? If yes, explain in detail. <p style="text-align: center;">No</p>					
Was Contract Approved by Risk Mgmt? <p style="text-align: center;">No</p>			Was Contract Approved by CoCo? <p style="text-align: center;">Yes</p>		

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Were any exceptions taken? If yes, explain in detail.

No

### SECTION III – SOLE SOURCE JUSTIFICATION

1. **Provide a description of the type of contract to be established.** (For example: is the contract a commodity, service, human service, public works, or other – please explain.)

Professional services for the acquisition of commercial property.

2. **Provide a detailed description of services/commodities to be provided by the vendor.** (This information may be obtained from the scope of work prepared by the County and the vendor's proposal that provides a detailed description of the services/supplies). Attach additional sheet if necessary.

Vanguard Commercial Brokerage provides the following services under this contract:

- Survey, inspect, and analyze commercial properties in target area for County acquisition for the purpose of acquiring a property to provide year-round emergency shelter and to act as a multi-service center site.
- Represent the County in negotiations with owners of properties being considered for acquisition.
- Represent the County during the due diligence and escrow periods.
- Consultation with County staff and executives, as required, to discuss transaction issues.
- Represent the County during negotiations, discussions, and meetings with local government representatives.
- Provide expertise in property issues, including zoning, CUP, and commercial property CC&Rs investigations.

3. **Please state why the recommended vendor is the only one capable of providing the required supplies and/or commodities.** Include any back-up information or documentation which supports your recommendation. (Acceptable responses to this question will include strong programmatically/technological information that supports the claim that there is only one vendor that can provide the services and/or commodities). Attach additional sheet if necessary.

Vanguard is the only identified vendor with all the combined skills, experience, and capabilities that follow, which are required for this transaction:

- Vanguard has commercial brokerage experience in the target area (City of Fullerton and/or adjacent/surrounding area).
- Vanguard's broker, Cameron Irons, has significant experience with the policies, structure, and procedures in governance in the target area.
- Vanguard's brokerage team has significant background and experience in dealing with zoning and/or property use changes and concerns in the target area.
- Vanguard has expansive and complete knowledge and experience in discerning appropriate properties for this project's intended use in the target area.

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- Vanguard's knowledge and skill set includes the capability to combine commercial real estate experience with City governance and operations, which is required for this project.

Vanguard has the following unique expertise to bring to the transaction on behalf of the County:

- A real-time awareness of instrumental changes in City and local policy structures, which impact target area properties and future local zoning and use patterns.
- Historical detailed background with similar transactions which influence property value and chain-of-ownership in target area, including a detailed knowledge about property development dynamics in the market area.
- A unique knowledge about the broader area commercial real estate market and industry legislative initiatives that impact the target property's intended use and future operational considerations.

**4. Please list any other sources that have been contacted and explain in detail why they cannot fulfill the County's requirements.** *(Responses to this section should include information pertaining to any research that was conducted to establish that the vendor is a sole source. Responses should include information pertaining to discussions with other potential suppliers and why they were no longer being considered by the County). Answers to this section may be provided by the requestor and the Deputy Purchasing Agent as appropriate. Attach additional sheet if necessary.*

No other commercial real estate brokerage firm has originated a similarly advantageous property offering for this project's intended use in the target area since the inception of the project.

**5. How does recommended vendor's prices or fees compare to the general market? Attach quotes for comparable services or supplies, if available.** *Attach additional sheet if necessary.*

Vanguard will receive any/all compensation for this transaction in the form of commission paid by the seller of the property. No County funds will be paid directly to Vanguard Commercial Brokerage and/or Vanguard representatives.

**6. If recommended vendor could not provide the product or service, how would the County accomplish this particular task?** *Attach additional sheet if necessary.*

Approximately one year ago (January 2012), Orange County's Board of Supervisors approved the Ten-Year Plan to End Homelessness. That Plan recommends that sites be developed throughout the County for year-round shelters and multi-service centers. Since that time, no other commercial brokers have identified acceptable candidate sites. Therefore, no progress has been made until this point. The County is not currently aware of an alternate commercial broker with precisely the same experience, contacts, and profile as Vanguard Commercial.

**7. If vendor is a retired, former employee, has the vendor previously been rehired as a working retiree or a contractor within the last three years?**  Yes  No

**If yes, provide the following information:**a) If a working retiree, provide time periods worked, hours worked, and hourly amounts paid. b) If a contractor (regardless of scope of work), provide contract dates, scope of work, and total amounts paid under each contract. *Attach additional sheets if necessary.*

This question is not applicable.


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8. If the vendor is a retired, former employee, provide explanation/support for hiring the retired, former employee as a vendor instead of a working retiree. Attach additional sheet if necessary.

This question is not applicable.

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**SECTION IV – AUTHOR/REQUESTOR**

Signature: 	Print Name: Gail Dennis	Date: 1-5-13
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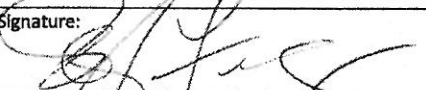
**SECTION V – CEO BUDGET APPROVAL (Review and approval is required when vendor is a Retired, Former Employee.)**

Signature:	Print Name:	Date:
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**SECTION VI – DEPUTY PURCHASING AGENT CONCURRENCE**

Signature:	Print Name: Ron Vienna	Date:
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**SECTION VII – DEPARTMENT HEAD APPROVAL**

Signature: 	Print Name: ROBERT J. FRANZ	Date: 1/5/13
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**SECTION VIII – COUNTY PROCUREMENT OFFICE**

County Procurement Office review and approval required when the value of the sole source agreement exceeds \$50,000. Approvals obtained electronically through BidSync.
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