



Sole Source Request Form Instruction Sheet

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. Per the Contract Policy Manual, a 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, CPM section 4.5. 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 4.5)

SECTION I – INSTRUCTIONS FOR COMPLETING THE ATTACHED FORM

(To be completed by the department's end-user, Program Manager, or Subject Matter Expert)

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 Procurement Officer or designee shall approve ALL sole source requests for commodities that exceed \$250,000 annually, services exceeding \$75,000 annually and all Board contracts despite the amount. Board approval is required for all sole source contracts for commodities that exceed \$250,000 annually and services exceeding \$75,000 annually or a two (2) year consecutive term, regardless of the contract amount. Any amendments to Board approved sole source contracts require a new sole source form.
4. If vendor is a retired, former Orange County employee, CEO Human Resource Services shall approve the sole source request, regardless of the sole source amount.
5. Valid sole source requests will contain strong technological and/or programmatic justifications. Requests will explain how it is a sole source purchase, provide a clear and convincing justification and detail the purchasing history (who, what, when, how and where).
6. Sole source procurements may be approved based upon emergency situations in which there is not adequate time for competitive bidding.
7. Sole source requests for Human Service contracts will be guided by the regulations of the funding source.
8. Each question in Section II of this form must be answered in detail and the form signed by the department head with concurrence of the Deputy Purchasing Agent.
9. All sole source request forms must be entered into the County's online bidding system along with its supporting documentation.
10. The Deputy Purchasing Agent (DPA) shall retain a copy of the justification/approval as part of the contract file.
11. Request for Solicitation Exemption *(For purchases with special circumstances, and/or when it is determined to be in the best interest of the County)* – check the Solicitation Exemption box and complete additional question no 8.



Procurement

Sole Source Request Form

Sole Source BidSync # 017-C029928-RT

SECTION II – DEPARTMENT INFORMATION (Complete in its entirety)

| | | | |
|--|---|--|---------------------------|
| Department: CEO REAL ESTATE | | Date: 05/28/2021 | |
| Vendor Name: LAND ADVISORS ORGANIZATION | | Sole Source BidSync Number: 017-C029928-RT | |
| 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 Human Resource Services prior to contract execution. | | | |
| Contract Term (Dates): 06/22/21 – 01/06/22 | Is Agreement Grant Funded? Funding Source: Will be paid out of the sale escrow <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Percent Funded: No | Proprietary? No |
| Contract Amount? A fixed amount of \$250,000 plus a success fee of 3% of any amount above the minimum sales price of \$25,000,000. | | Is this renewable? If yes, how many years? No | |
| Type of Request: <input checked="" type="checkbox"/> New <input type="checkbox"/> Multi-Year <input type="checkbox"/> Renewal <input type="checkbox"/> Amendment <input type="checkbox"/> Increase | | | |
| Renewal Year: N/A | | Did vendor provide a sole source affidavit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please attach | |
| Board Date: 06/22/21 | ASR Number: 21-000457 | If not scheduled to go to the Board explain why? | |
| Does Contract include Non-Standard Language? If yes, explain in detail. No | | | |
| Was Contract Approved by Risk Mgmt.? Yes | | Was Contract Approved by County Counsel? Yes | |
| Were any exceptions taken? If yes, explain in detail. No | | | |
| <input checked="" type="checkbox"/> DPA certifies that they have read and verified that the information is true and satisfies the sole source requirements listed in the County Contract Policy Manual. | | | |
| <input type="checkbox"/> Solicitation Exemption <i>(For purchases with special circumstances, and/or when it is determined to be in the best interest of the County.)</i> | | | |



Procurement

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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.) Attach additional sheet if necessary.
Professional services contract for real property disposition services.

2. Provide a detailed description of services/commodities and how they will be used within the department. If this is an existing sole source, please provide some history of its origination, Board approvals, etc. (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.

This Contract is established for the Contractor to provide real property disposition and marketing services for the Greenspot Property as need to facilitate the District's Request for Offers for the Greenspot Property, including marketing, project development financial analysis and insight, offer analysis input, and transaction management services. Services shall be provided as set forth herein. The Greenspot Property is exceptionally complicated from a development standpoint. The Greenspot Property is 1,657 acres of land. It is critically important to the District's marketing of this Property that the District have a knowledgeable real property broker that is familiar with the unique development requirements for residential development that are unique to this location since residential development appear to be the highest and best use for this Property. Land Advisors is a nationwide team of respected land professionals that provide advisory and brokerage services to clients who need a data driven road-map for selling land.

3. Explain why the recommended vendor is the only one capable of providing the required services and/or commodities. How did you determine this to be a sole source and what specific steps did you take? Please list all sources that have been contacted and explain in detail why they cannot fulfill the County's requirements. Include vendor affidavit and/or other documentation which supports your sole source. (Responses will include strong programmatic and technological information that supports the claim that there is only one vendor that can provide the services and/or commodities. Your response will include information pertaining to any research that was conducted to establish that the vendor is a sole source, include information pertaining to discussions with other potential suppliers and why they were no longer being considered by the County.) Attach additional sheet if necessary.

Land Advisors Organization (LAO), a licensed real estate broker, is a leading real estate expert in San Bernardino County with extensive market knowledge. They have significant experience in the disposition of large developable properties throughout the Inland Empire, and have working relationships with major developers with a proven ability to manage developments of this nature. LAO will provide the competitive advantage through innovative, nuanced, and thoroughly researched market insights and advice. Land Advisors is unique since it is an integrated advisory platform that leverages experts in land brokerage, capital markets, development solutions, market research and development finance to optimize land values and returns. Land Advisors understands the unique nature of residential land development deals, lot yields and finished lot pricing that is not present with other land brokers. Plus, the brokers involved in this particular transaction, Doug Jorritsma and Ian Sinderhoff, are intimately familiar with land development within the City of Highland, where the Greenspot Property is located. Land Advisors' knowledge of and familiarity with the City and its preference for development is critical in providing credibility to

the development community. This credibility should translate to larger purchase offers. In short, this cost associated with the retention of Land Advisors should pay for itself many times over because of Land Advisors' unique skills, knowledge and relationships in the residential land development community.

4. How does recommended vendor's prices or fees compare to the general market?

Attach quotes for comparable services or supplies. Attach additional sheet if necessary.

LAO fee has a flat base of \$250,000 and a success fee equal to three percent for every dollar above the minimum asking price of \$25,000,000. Brokers normally garner a commission equal to a percentage of the sale price. Industry standard is approximately 5-7% therefore LAO's flat fee and success fee are far below market. At a sales price of \$25,000,000, LOA will only realize a 1% commission. This is exceptionally low for real estate commissions, particularly for extraordinarily complicated development deals like the Greenspot Property. As another example, at a \$35,000,000 sale price, LAO will only realize a 1.57% commission, including its success fee. Again, this is an exceptionally low commission fee, particularly since LOA has unique knowledge of the development project site, the City of Highland and extensive in-house capabilities to help with assessing pricing on terms that residential developers understand.

LAO recently provided similar services to the City of Loma Linda for a flat fee of \$250,000. However, the total consideration paid for the sale of this property was \$15.5M. Therefore, LAO's commission amounted to 1.61% compared to a 1% flat fee for the sale of the Greenspot Property (at the \$25M minimum sales price). In comparison, Greenspot Property is much larger, over 1,600 acres, and the Loma Linda property was only 71 acres and encompassed a much easier infill development to market. The work for the Loma Linda property is a fraction of the brokerage work anticipated for the Greenspot Property.

5. If the recommended vendor was not available, how would the County accomplish this particular task?

Attach additional sheet if necessary.

The County would use an on-call broker without the demonstrated knowledge and expertise of LAO potentially at a higher cost.

6. Please provide vendor history – name change, litigation, judgments, aka, etc. for the last 7 years.

Name Change – None in the last 7 years.

Litigation – A Complaint was filed in the Superior Court of the State of California, County of Riverside, Riverside Historic Courthouse on September 30, 2020 in the matter of INLAND PROFESSIONAL PARTNERS v. SFU INVESTMENTS LIMITED PARTNERSHIP et al which also named Park Place Partners d/b/a Land Advisors Organization, R. Jeffrey Spindler (as Designated Officer) and Brian Carricaburu (as Agent) as defendants. We have been vigorously defending the case and the plaintiff has approached our counsel with an offer to dismiss charges with prejudice if we will agree not to pursue them for our legal fees. Our counsel is currently negotiating the terms of the dismissal with the plaintiff's counsel.

Judgments - None

7. If vendor is a retired, former employee, has the vendor previously been rehired as a contractor within the last three

years? If yes, provide explanation/support for hiring the retired, former employee as a vendor and provide contract dates, scope of work, and total amounts paid under each contract.

No

8. Explain (In detail) why a request for Solicitation Exemption is needed. *(Only applicable for Solicitation Exemption)*
Attach additional sheet if necessary.


NA



Sole Source Request Form

Sole Source Bidsync # 017-C029928-RT

SECTION IV – AUTHOR/REQUESTOR

| | | |
|---|-------------------------------|--------------------|
| Signature:  | Print Name: BRIAN A. BAUER | Date: 5/27/2021 |
|---|-------------------------------|--------------------|


SECTION V – CEO Human Resource Services APPROVAL (Review and approval is required when vendor is a Retired, Former Employee.)

| | | |
|------------|-------------|-------|
| Signature: | Print Name: | Date: |
|------------|-------------|-------|

SECTION VI – DEPUTY PURCHASING AGENT CONCURRENCE

| | | |
|-------------------------|--------------------------|--------------------|
| Signature: Rick Tran | Print Name: RICK TRAN | Date: 5/28/2021 |
|-------------------------|--------------------------|--------------------|

SECTION VII – DEPARTMENT HEAD APPROVAL

| | | |
|--|---|-----------------------|
| Signature:  | Print Name: THOMAS A. MILLER CHIEF REAL ESTATE OFF. | Date: May 28, 2021 |
|--|---|-----------------------|

SECTION VIII – COUNTY PROCUREMENT OFFICE

Prior to execution of a contract, the County Procurement Officer or designee shall approve All Sole Source requests for Commodities that exceed \$250,000, Capitol Assets and services exceeding \$75,000, and All other Sole Source requests that require Board approval despite the amount. Approvals are obtained electronically through the County's online bidding system.

SOLICITATION EXEMPTION – CEO USE ONLY:

| | | | |
|--|-----------------------------------|---------------------------------|-------|
| Board of Supervisor Notification Date: | | | |
| Comments: | | | |
| CPO: | <input type="checkbox"/> Approved | <input type="checkbox"/> Denied | |
| CFO: | <input type="checkbox"/> Approved | <input type="checkbox"/> Denied | |
| CPO Authorized Signature: | Date: | CFO Authorized Signature: | Date: |

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Release Bid Workflow

Name: Ana E Figueroa
(for CPO SS Routing (Group))
Phone: 714-567-7348
Email: ana.figueroa@ocgov.com
Status: Approved May 31, 2021 8:55:37 AM PDT



Bid Information

Bid Number:

[017-C029928-RT](#)

Bid Title:

REAL PROPERTY DISPOSITION SERVICES

Status

Status:
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Questions? Contact a Periscope Source representative: 800-990-9339 or email: source-support@periscopeholdings.com

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