



City of Beverly Hills, California

REQUEST FOR PROPOSALS

19-RFP-010-01

**COMMERCIAL REAL ESTATE BROKER SERVICES
FOR LEASE OF 239 SOUTH BEVERLY DRIVE**

June 10, 2019

PROPOSALS DUE:

Thursday, June 20, 2019, BY 6:00 PM PST

1. Overview

The City of Beverly Hills hereby requests proposals from qualified, real estate brokers ("Respondents") to assist with the lease of a City-owned commercial space. It is the intent of this Request for Proposals ("RFP") to have the successful broker enter into a professional services contract with the City to provide brokerage services as outlined herein.

The City is seeking to enter into a professional services agreement with a broker that has experience and expertise in marketing and leasing both restaurant and office properties in Beverly Hills.

The subject property is located at 239 South Beverly Drive, Beverly Hills, California, 90212. The property is two stories, has been vacant since December 2018 and was formerly used as a Panera Bread restaurant (ground floor) and other office uses (second floor).

2. Staff Contact

If there are any questions concerning this RFP, please include both of the following City staff in all correspondence by email only.

- Logan Phillippo, Police & Management Analyst lphillippo@beverlyhills.org
- Gabrielle Ressa, Executive Assistant I gressa@beverlyhills.org

3. Scope of Work

The City desires to find a reputable, creditworthy commercial tenant(s) for the restaurant and office spaces located at 239 South Beverly Drive, Beverly Hills, California, 90212. The property includes approximately 3,500 square feet of ground floor restaurant space (inclusive of kitchen areas) and approximately 3,500 square feet of second floor office space. The second floor can be accessed by a separate exterior entrance on Beverly Drive or a separate exterior entrance from the back alleyway. The property additionally has an elevator. Restrooms are on the second

floor only. There are four parking spaces (one of which is for loading and deliveries) directly behind the building and accessible from the back alleyway.

Additionally, as part of the Scope of Work, the successful Respondent will:

- Provide professional and comprehensive written consultations regarding market values;
- Conduct strategic planning for marketing for a commercial use;
- Organize and host property showings;
- Provide progress updates and maintain timely telephone and e-mail contact with assigned staff;
- Discuss the project at public meetings, if necessary;
- Consult with City on lease term negotiations; and
- Handle all other customary activities and services associated with real estate transactions, including, but not limited to the following:
 - Properly disseminating all relevant disclosures;
 - Assisting in negotiating the terms of the lease;
 - Listing property on all appropriate forums;
 - Coordinating with prospective lessees; and
 - Providing professional photography.

4. Payment of Commission/Compensation

As part of this RFP, Respondents must include all proposed terms and fees, including the commission rate, payment schedule, and any other costs for lease the tenant space. The City has a preference for a Commission payment schedule that is amortized over the term of the lease, typically between two and ten years, dependent upon such factors as the tenant's security deposit and whether the City contributes a tenant improvement allowance.

5. RFP Schedule

The following timeline shall govern the selection process and contract execution.

Solicitation/RFP issued:	June 10, 2019
Proposal Due Date	Thursday, June 20, 2019 by 6:00 pm PDT
Anticipated Decision Date	Friday, June 28, 2019
Anticipated City Council approval date	Tuesday, July 16, 2019
Anticipated start date	Wednesday, July 17, 2019

6. Proposal Submittal Instructions

Respondents' Proposals must be submitted electronically in one (1) single PDF document by the Proposal Due Date and time listed in the RFP Schedule. Late proposals will not be accepted.

Proposals must be submitted to all of the City staff listed in the Staff Contact section. The email's subject line must be titled "RFP No. 19-RFP-010-01 – Commercial Real Estate Broker Services".

Respondent's failure to fully and adequately respond to this RFP may render the Respondent's proposal incomplete and is grounds for rejection by the City.

Proposals must be organized in the following order. Each section below should begin on a new page and include an appropriate heading that corresponds to the section.

- I. Cover Letter: Provide a one-page cover letter including company's name, address, and telephone number of the contact person(s) and who will be authorized to make presentations. The cover letter must bear the signature of the person(s) authorized to sign on behalf of the Respondent and to bind the applicant into contract. Include the company's State of California real estate broker's license number.
- II. Profile and Qualifications of Respondent: This section shall include a brief description of the Respondent's experience. Include the number of years of experience the broker and/or company has. Additionally, this section shall include a brief description of the Respondent's qualifications and previous experience on at least three (3) similar properties/transactions. Include samples of marketing materials for these properties. Provide the name, title, if applicable, and phone number of the clients of these properties to be contacted for references.
- III. Profile(s) of Key Personnel: For all key project personnel (broker, salesperson, manager, director, assistant, etc.) list the name, title, California Department of Real Estate Identification Number and License Type, if applicable, and specific responsibility as it relates to the Scope of Work. Please indicate who will primary person working with the City.
- IV. Proposed Marketing Plan and Timeline: This section shall include a detailed description of the marketing strategies the Respondent shall utilize. This shall also include any description of print materials, online marketing, staging, etc. Include all relevant information.
- V. Proposed Term and Fee Schedule: Include the commission rate and payment schedule and any other costs for assisting with the lease of the tenant space.
- VI. Signed W-9: Complete the form in its entirety and submit along with your proposal. The W-9 should be from the legal entity which will enter into the contractual relationship with the City.
- VII. Proof of Liability Insurance: Upon award, the successful Respondent (or "Broker") shall submit and maintain proof of insurance which complies with the requirements of the Sample Contract (Attachment 2).

7. Reserved

8. Minimum Qualifications

Respondents must have held a California Department of Real Estate Broker License for at least five (5) years.

Respondents must have experience in brokering leases for similar class commercial properties in Southern California.

Respondent must possess a City of Beverly Hills Business License and be licensed to do business in the State of California by the Secretary of State.

Respondents must provide complete proposals.

9. Evaluation Criteria

The City will evaluate the proposals with the intent of selecting the most qualified Respondent. Evaluation criteria include, but are not limited to, the following:

- 1) Completeness and thoroughness of the proposal (5%)
- 2) Qualifications of Respondent (30%)
- 3) Proposed Marketing Plan and Timeline (30%)
- 4) Proposed Term and Fee Schedule (35%)

The most qualified Respondents may be selected to be interviewed by City representatives. The City reserves the right to interview as many or few Respondents as it deems appropriate. The City also reserves the right to make its selection without conducting interviews.

10. Contract

The City will prepare an agreement between the successful Respondent (or "Consultant") and the City. Attachment 2 includes a sample contract. The Respondent's standard form contract will not be considered as an acceptable substitute. The Respondent shall maintain at a minimum the insurance requirements specified in the Sample Contract (Attachment 2).

11. Additional Conditions and Information

Respondents are responsible for all expenses associated with this RFP response. This RFP does not commit City of Beverly Hills to enter into a contract.

Respondents are responsible for complying with all federal, state, and local rules and regulations. Respondents agree that City may, in its sole discretion, at any time prior to the execution of a final contract, accept, reject or cancel all or any part of a Respondant's proposal, issue another RFP with terms and conditions similar or different to those set forth above, extend any deadline and/or supplement, amend or otherwise modify the RFP.

By submission of a proposal, Respondents acknowledge and agree that the City of Beverly Hills, as a public entity, is subject to state and local public disclosure laws and, as such, is legally obligated to disclose to the public documents, including Respondants' proposals, to the extent required thereunder. Without limiting the foregoing sentence, the City's legal obligations shall not be limited or expanded.

Respondents are advised to become familiar with all conditions, instructions and Scope of Work governing this RFP. Once a contract has been executed, a failure to have read all the conditions, instructions and specifications of this RFP document shall not be cause to alter the contract or for Respondent to request additional compensation.

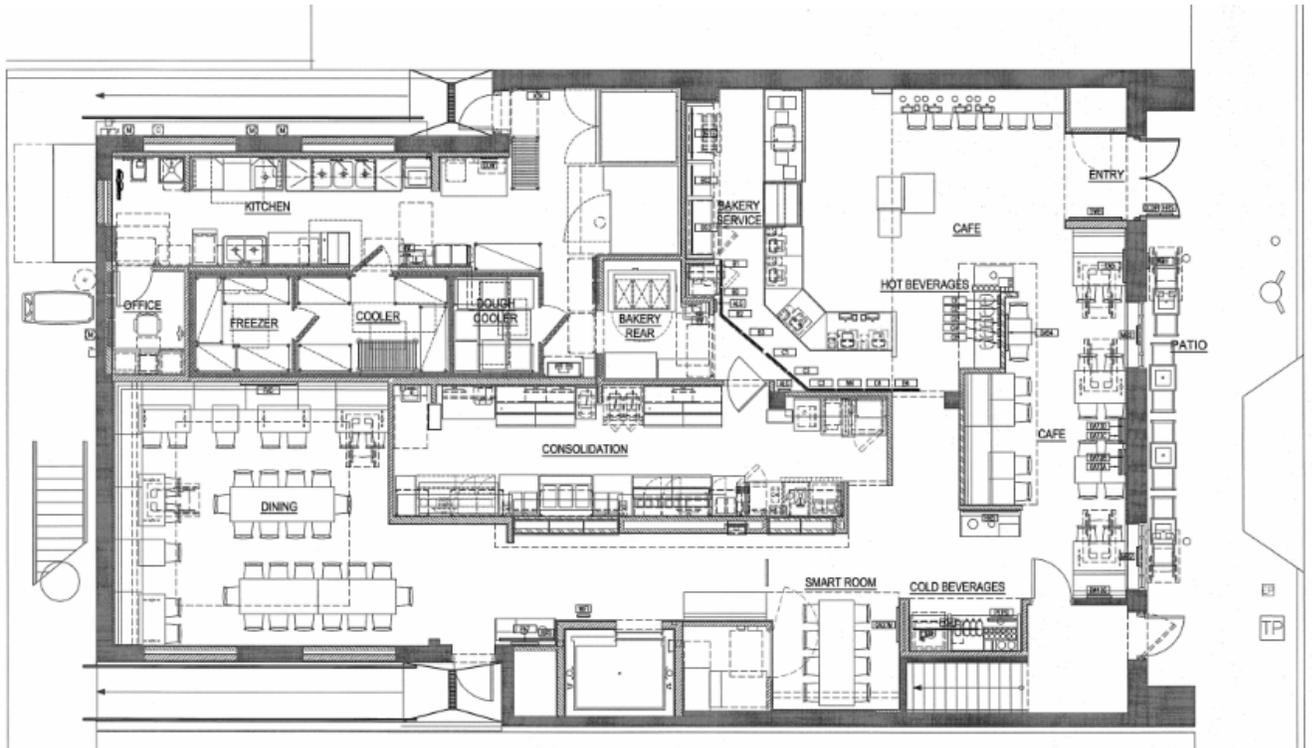
The City will be the sole and exclusive judge of quality, compliance with RFP requirements or any other matter pertaining to this RFP. The City reserves the exclusive right to award a contract in any manner it deems to be in the best interest of the City.

12. List of Exhibits and Attachments

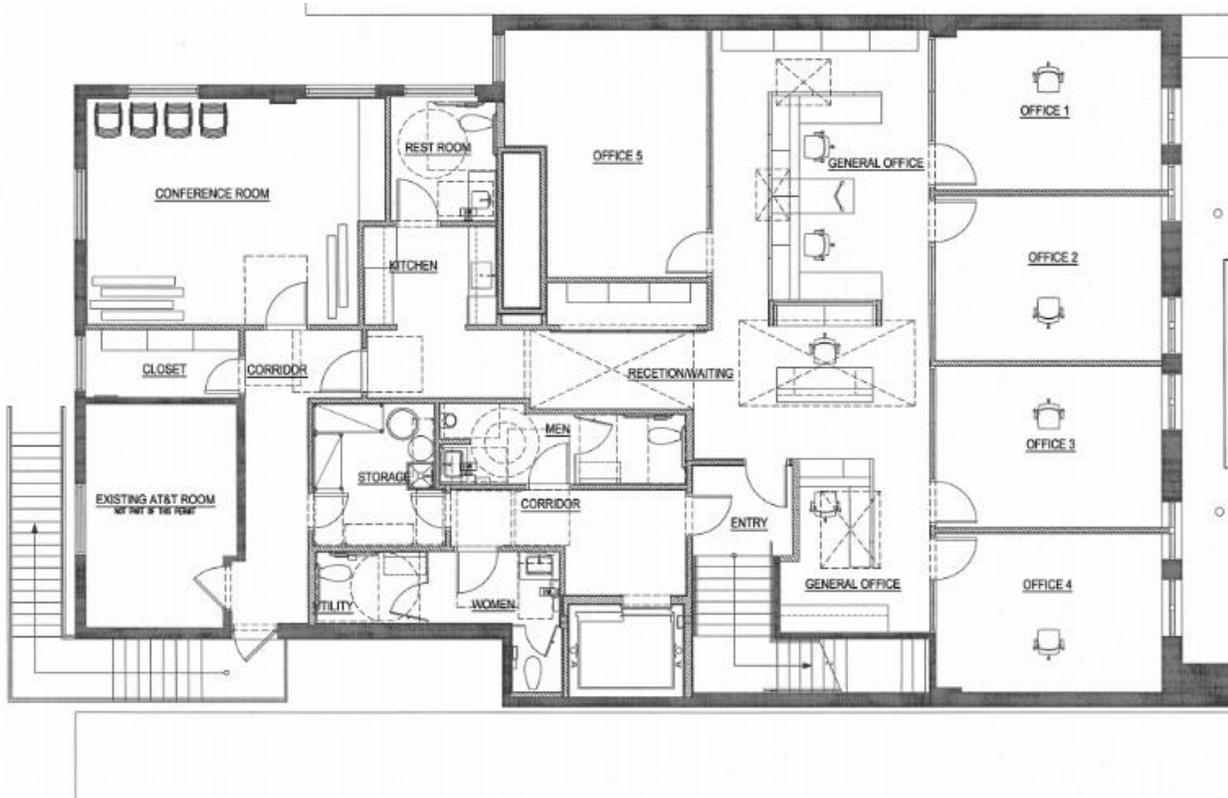
- Attachment 1—Site Layout
- Attachment 2—Sample Contract

Attachment 1: Site Layout

First Floor Restaurant Space



Second Floor Office Spaces and Restrooms



BROKER LEASING COMMISSION AGREEMENT

This BROKER LEASING COMMISSION AGREEMENT is dated as of _____, 201__ and is entered into by and between [the CITY OF BEVERLY HILLS, a municipal corporation] (“Landlord”) and _____, a _____ (“Broker”) with respect to the leasing by Landlord of _____ (“Premises”).

RECITALS

- A. Landlord desires to engage Broker to obtain prospective tenants and to negotiate proposed “business” terms for leases for _____ (the “Property”).
- B. Broker and Landlord desire that Broker be paid a leasing commission by Landlord only if Landlord actually enters into a lease with a prospective tenant procured by Broker (“Prospective Tenant”) for the Property.

NOW, THEREFORE, in consideration of the foregoing recitals and other consideration, the sufficiency of which is hereby acknowledged, Landlord and Broker hereby agree as follows:

1. Lease Commissions.

To Be Inserted

2. Payment of Commission.

3. **To Be Inserted**

4. Sharing of Commission with Tenant Brokers. If a Prospective Tenant is represented by a broker, Broker shall share its commission with the Prospective Tenant’s broker in accordance with the custom and practice in the City of Beverly Hills.

5. Authority of Broker. Broker shall have no authority to bind Landlord, but shall attempt to negotiate basic business terms for leases that benefit Landlord, considering market conditions for the Property, and that are acceptable to City staff. Broker shall make clear to Prospective Tenants (and their brokers, if any) that Landlord will not be bound unless and until its City Council approves the applicable lease in its sole and absolute discretion.

6. Insurance.

(a) Broker shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

- (1) A policy or policies of Comprehensive General Liability Insurance, with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by Broker.

Attachment 2: Sample Contract

- (2) A policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by Broker in performing the Scope of Work required by this Agreement.
- (3) Workers' compensation insurance as required by the State of California.
- (4) Professional Liability Insurance

A policy or policies of Professional Liability Insurance (errors and omissions) with minimum limits of One Million Dollars (\$1,000,000) per claim and in the aggregate. Any deductibles or self-insured retentions attached to such policy or policies must be declared to and be approved by City. Further, Broker agrees to maintain in full force and effect such insurance for one year after performance of work under this Agreement is completed.

- (b) The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.
 - (c) Broker agrees that if it does not keep the aforesaid insurance in full force and effect City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may take out the necessary insurance and pay, at Broker's expense, the premium therefor.
 - (d) At all times during the term of this Agreement, Broker shall maintain on file with the City Clerk a certificate or certificates of insurance in a form acceptable to the City, attached hereto and incorporated herein, showing that the aforesaid policies are in effect in the required amounts. Broker shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The general liability insurance shall contain an endorsement naming the City as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to City, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.
 - (e) The insurance provided by Broker shall be primary to any coverage available to City. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.
 - (f) Any deductibles or self-insured retentions must be declared to and approved by City.
7. Assignment. Broker may not assign its rights or obligations hereunder, in whole or in part, without the prior consent of Landlord, which consent may be given or withheld in Landlord's sole and absolute discretion.

Attachment 2: Sample Contract

8. Attorneys' Fees. If either party institutes legal action to enforce its rights under this Agreement, the prevailing party (as determined by the trier of fact) will be entitled to recover its reasonable attorneys' fees and costs from the other party.
9. Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement.
10. Entire Agreement. This Agreement constitutes the entire agreement between Landlord and Broker with respect to the subject matter hereof.
11. Applicable Law. This Agreement shall be governed by the laws of the State of California.
12. Addresses for Notices. Notices hereunder shall be in writing, shall be addressed as follows, and shall be delivered by certified mail, return receipt requested (and deemed delivered on the date of delivery or refusal of acceptance shown on the return receipt:

Landlord: **To Be Inserted**

Broker: **To Be Inserted**
13. Time of Essence. Time is of the essence of every provision hereof in which time is a factor.
14. Broker Default. City may terminate this Agreement upon a default by Broker which is not cured within ten (10) days after written notice from City.

LANDLORD:

THE CITY OF BEVERLY HILLS

By: _____
Print Name: _____
Title: _____

BROKER:

_____,
a _____

By: _____
Print Name: _____
Title: _____

Attest:

City Clerk