

January 15, 2009

09-044

GRANT EXCEPTION TO PERSONAL SERVICE
CONTRACT RULES TO PERMIT DIRECT
NEGOTIATION OF CONTRACT FOR REAL ESTATE
CONSULTANT SERVICES WITH CB RICHARD ELLIS,
INC.

PREPARED BY: Steven J. Hopf, Procurement Division Manager

FINANCIAL RESPONSIBILITY: Wing-Kit Chung, Vice-President, Administrative Services

APPROVED BY: Wing-Kit Chung, Vice-President, Administrative Services
Dr. Preston Pulliams, District President

REPORT: On November 4, 2008, the voters approved the College's \$374 million dollar bond measure to expand, upgrade, and update College facilities. In order to implement the bond program, the College requires the services of a knowledgeable real estate consultant to assist with the location and acquisition of real property for bond projects.

CB Richard Ellis, Inc. (CBRE) served as the College's real estate consultant from 2001 to 2004 during the implementation of the 2000 bond, and therefore has a unique knowledge of and special experience with the College's program, the affected campuses and other sites, and the real property adjacent to those campuses and other sites.

A contract for real estate consulting services is a "personal services contract" within the meaning of College Contract Rule ("CCR").250(1). CCR.250 requires a formal or informal competitive solicitation process for personal services contracts over \$5000. Although the amount of the contract is not possible to estimate because the contractor will be consulted on an "as needed" basis and will be primarily paid through commissions on successful acquisitions, payments pursuant to the contract will likely exceed the levels required for informal and possibly formal solicitation.

ORS 279A.055 and 279A.070 empower and require contracting agencies to adopt procurement rules governing personal services contracts, but do not prescribe particular rules governing such contracts. The Board of Directors, acting as the Local Contract Review Board, may therefore grant an exception to those rules if it determines that doing so is in the College's best interest.

Given CBRE's unique knowledge of and experience with the College's program and facilities, staff's opinion is that conducting a competitive solicitation process is not in the College's best interest. Staff therefore requests an exception to this requirement.

RECOMMENDATION: That the Portland Community College Board, acting as the Local Contract Review Board, grant an exception to the College Contracting Rules to waive the requirements for competitive solicitation and authorize the District President or his designee to negotiate and enter into a personal services contract for real estate consulting services with CBRE.