

George Latimer
County Executive

Office of Countywide Administrative Services & Real Estate

Christopher D. Steers
Director

93141

DATE: May 6, 2022

TO: Board of Acquisition and Contract

FROM: Christopher D. Steers, Director
Office of Countywide Administrative Services & Real Estate

SUBJECT: **Authority for the County of Westchester to enter into an agreement with RM Friedland, LLC pursuant to which RM Friedland, LLC will provide various real estate services, including brokerage services, to assist the County in better management of its real property for a term commencing upon execution and continuing for one (1) year thereafter, payable at the rates set forth in Schedule "A" and to further authorize RM Friedland, LLC to subcontract a portion of the services to Sky Queen Realty, 126 Tower Road, Suite 290, West Harrison, NY 10604.**

Authority is requested for the County of Westchester ("County") to enter into an agreement with the real estate firm of RM Friedland, LLC ("RMF") pursuant to which RMF would provide various real estate services, including brokerage services, to assist the County in realizing efficiencies, synergies, and possible cost savings through better management of its real property and other real estate expenditures (the "Agreement"). The term of the Agreement will commence upon execution thereof by both parties and approval of same by the Office of the County Attorney, and will continue for a period of one (1) year thereafter. Services will include planning, market analyses, space programming/assessment, negotiations, valuations, and brokerage services. In consideration for services rendered, the County will pay RMF at the rates set forth in Schedule "A", attached to the Resolution ("Fees") in an amount not-to-exceed \$50,000. In addition to the Fees, RMF will be entitled to commissions for certain brokerage services rendered, as set forth in Schedule "A". Authority is further requested to authorize RMF to subcontract a portion of the services to Sky Queen Realty, 126 Tower Road, Suite 290, West Harrison, NY 10604.

The County has complied with Section 6 of the County Procurement Policy. On October 1, 2021 the County issued an RFP soliciting proposals from real estate brokerages for the Strategic Assessment and Rationalization of the County's Real Estate Footprint, including planning, market analyses, space programming/assessment, negotiations, and valuations. The RFP was posted on the County's RFP website. In addition, the County's Director of Real Estate alerted prospective

respondents to the County's solicitation by email. Three (3) proposals were submitted in response to the County's RFP from the following three (3) real estate brokerages: RMF, Jones Lang LaSalle Brokerage, Inc. ("JLL"), and Colliers International NY, LLC ("Colliers"). After carefully reviewing each proposal with reference to the evaluation criteria contained in the RFP, the Director of Real Estate determined that the sales, purchases, leases, and associated analysis component of the contract should be awarded to RMF. It should be noted that a separate resolution to contract with JLL for "re-stacking" services will be submitted to your Honorable Board under separate cover at a later date.

The services to be provided pursuant to the proposed Agreement will serve a public purpose by helping the County to rationalize its real estate footprint, i.e. to realize efficiencies, synergies, and possible cost savings through better management of its real property and other real estate expenditures.

I respectfully recommend the adoption of the attached Resolution.

CDS/jpg/nm
Attachment

APPROVED BOARD OF ACQUISITION & CONTRACT - 05/12/2022 - RAYMOND SCULKY, SECRETARY

RESOLUTION

Upon a communication from the Director of the Office of Countywide Administrative Services & Real Estate, be it hereby

RESOLVED, that the County of Westchester (the "County") is hereby authorized to enter into an agreement with RM Friedland, LLC ("RMF"), pursuant to which RMF will provide the County with various real estate services, including brokerage services, to assist the County in better management of its real property (the "Agreement") for a term commencing upon execution of the Agreement by both parties and approval of same by the Office of the County Attorney, and continuing for a period of one (1) year thereafter; and be it further

RESOLVED, that in consideration for services rendered, the County shall pay RMF at the rates set forth in Schedule "A", attached hereto ("Fees"), not to exceed the aggregate sum of \$50,000.00; and be it further

RESOLVED, that in addition to the Fees, Consultant shall be entitled to commissions for certain brokerage services rendered ("Commissions") as set forth in Schedule "A"; and be it further

RESOLVED, that RMF is authorized to subcontract a portion of the services to Sky Queen Realty, 126 Tower Road, Suite 290, West Harrison, NY 10604; and be it further

RESOLVED, that this contract is also subject to County Appropriations; and be it further

RESOLVED, that this Agreement is also subject to further financial analysis of the impact of any New York State Budget (the "State Budget") proposed and adopted during the term of this Agreement. The County shall retain the right, upon the occurrence of any release by the Governor of a proposed State Budget and/or the adoption of a State Budget or any amendments thereto, and for a reasonable period of time after such release(s) or adoption(s), to conduct an analysis of the impacts of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate this Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to the Contractor, then the Contractor shall have the right to terminate the Agreement upon reasonable prior written notice; and be it further

RESOLVED, that the County Executive or his duly authorized designee is empowered to execute all documents and take all actions necessary to effect the purpose of this resolution.

Account to be
Charged/Credited

Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub- Object	Trust Account	Dollars
101	46	3300	4380		\$50,000.00

Budget Funding Year(s): 2022 & 2023
(must match resolution)

Start date: May 12, 2022

End date: May 11, 2023

Funding source:

\$50,000.00
(must match resolution)

Tax Dollars:
State Aid:
Federal Aid:
Other:

APPROVED BOARD OF ACQUISITION & CONTRACT - 05/12/2022 - RAYMOND SCULKY, SECRETARY

SCHEDULE "A"

Description	Cost	Time	Comments
Market Analysis for Purchase and Lease/Site Tours and Evaluation *	One person at \$250 per hour and one person at \$350 per hour	30-35 hours	This assumes multiple site tours of multiple buildings, timing could shorten based upon how many options are shortlisted for tour
Negotiations *	Two people at \$350 per hour	TBD	TBD
Lease Commission Rates*	A commission is calculated by multiplying the aggregate value of each year of the lease by the following rate schedule Years 1-3: 6% and 3% thereafter	N/A	This fee would typically be paid by the landlord
Purchase Commission Rates* (When we represent the County as buyer of a property)	4% of the sale price	N/A	We will look to get paid by the seller
Creation of report documenting which buildings or spaces should be marketed for lease to the public	\$0.00	10-15 hours	This will be performed at no cost to the County
Lease Commission Rates upon completion of a lease transaction with a third party for County owned or leased space	A commission is calculated by multiplying the aggregate value of each year of the lease by the following rate schedule Years 1-3: 6% and 3% thereafter	N/A	This would be paid by the County as in this case the County would be acting as landlord or sublandlord. In the event a cobroker is involved, the commission rate would be at one and a half times.
Valuation of County Owned Properties**	The lesser of \$400-\$450 per hour or \$9,000 per valuation	18-22 hours per valuation	The timeframe assumes all information needed for valuation is accessible, the range depends upon the type of building and complexity of the valuation

Valuation of County Owned Land**	The lesser of \$400 perhour or \$8,000 per valuation	18-22 hours	The timeframe assumes all information needed for valuation is accessible
Sale Commission Rates (Where we are representing the County as Seller)**	For land or property with a value of less than \$5 Million: 4% of the saleprice For land or property with a value greater than \$5 Million: 3.5% of the sale price	N/A	Sale Commissions will be shared with co-brokers when applicable, the County will only be responsible for one sale commission

*After Phase 1, any amount paid to RM Friedland & Skyqueen for the Market Analysis for Purchase and Lease/Site Tours and Evaluation and Negotiations would be credited back against any leasing or purchase commissions received from this process – leasing and purchase commissions are typically paid by the landlord or seller.

** The cost of the valuation would be credited towards any sale commission in the event of a transaction

APPROVED BOARD OF ACQUISITION & CONTRACT 05/12/2021 RAYMOND SCULKY, SECRETARY