

**Bay Area Headquarters Authority**  
**BAHA**

**June 25, 2025**

**Agenda Item 3b - 25-0948**

**Contract Amendment – Property Management Services: Cushman & Wakefield of California, Inc. (\$3,314,000)**

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**Subject:**

Authorization to enter into a contract amendment in an amount not to exceed \$3,314,000 with Cushman & Wakefield of California, Inc. (“Cushman Wakefield”) to implement and administer building improvement projects at 375 Beale Street, San Francisco (Bay Area Metro Center).

**Background:**

On January 23, 2013, following a competitive procurement process, BAHA awarded Cushman Wakefield a contract for property management services at 375 Beale Street. The contract covered a five-year term, with options to renew for two additional five-year periods. BAHA approved the first renewal on December 29, 2017, and the second on December 21, 2022.

As BAHA's property manager, Cushman Wakefield's duties include implementing and managing the design and construction of capital projects for both BAHA and its tenants. With written approval from BAHA, Cushman Wakefield acts as BAHA’s agent for specific projects, agreeing to:

1. Solicit bids from contractors for tenant improvements and capital improvement work needed for leasing space or renovations at the Bay Area Metro Center.
2. Coordinate with BAHA, tenants, architects, engineers, contractors, and other consultants to prepare and finalize construction drawings.
3. Oversee the administration of construction contracts, including managing the construction schedule, disbursement process, lien-waiver collection, and financial reporting.
4. Conduct final walk-throughs and help prepare a punch list detailing any remaining work or repairs needed.
5. Assist contractors in obtaining notices of completion, certificates of occupancy, or equivalent documents.

6. Ensure compliance with all applicable laws, codes, and regulations, including building, fire, and safety codes.
7. Perform additional tasks as mutually agreed upon in advance.

The proposed contract amendment would fund various building improvement projects from the FY 25-26 Capital Improvement Building Budget. These projects include repairs and upgrades to building infrastructure to meet operational needs such as electrical and power supply, fire safety, air quality and temperature control, lighting control and waterproofing. Depending on operational building needs additional projects may be added.

Additionally, the work included in this amendment will cover work related to the ongoing Building Façade Repair and Inspection Project (see description below) and the renovation of MTC executive office space on Level 8. CW is also supporting Tenant Improvements to Suite 310 as part of Water Emergency Transportation Authority (WETA) lease.

The Building Façade Repair and Inspection Project is required to comply with San Francisco Ordinance. Due to the building's age and prolonged exposure to environmental conditions, the number and extent of cracks and loose concrete discovered have exceeded initial estimates made at the start of the project in early 2024. The proposed budget for FY 25/26 will support necessary corrective actions to restore the building's durability and weather-tightness, ultimately extending its lifespan. Given the extent of repairs needed, this is a multi-year project.

The proposed \$3,314,000 requested for this amendment includes Cushman Wakefield's project management fee, which ranges from 3% for projects with a value greater than \$1,000,000 to 5% for smaller projects.

Cushman Wakefield is neither a small business enterprise nor a disadvantaged business enterprise.

**Issues:**

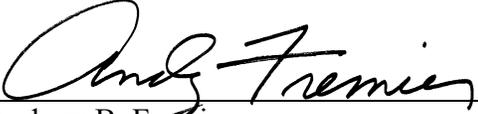
None identified.

**Recommendations:**

Staff recommends that the Authority authorize the Executive Director or designee to negotiate and enter into a contract amendment with Cushman Wakefield in an amount not to exceed \$3,314,000 for a new contract not to exceed amount of \$26,980,960.30 for implementation and administration of building improvement projects at the Bay Area Metro Center.

**Attachments:**

Request for Committee Approval – Summary of Proposed Contract Amendment

  
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Andrew B. Fremier

## **Request for Committee Approval**

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### **Summary of Proposed Contract Amendment**

Work Item No.: 9161, 9180, 9181, 9145

Consultant: Cushman & Wakefield of California, Inc. (“Cushman Wakefield”) San Francisco, CA

Work Project Title: Property Management Services

Purpose of Project: Provide property management services for 375 Beale Street

Brief Scope of Work: Implement and administer building improvement projects consistent with the FY 25-26 Budget.

Project Cost Not to Exceed: This amendment: \$3,314,000  
Current contract authorization before this amendment: \$23,666,960.30  
New contract not to exceed amount: \$26,980,960.30

Funding Source: BAHA FY 25-26 Capital Building Improvement Project Budget

Fiscal Impact: Funding is subject to the approval of the BAHA FY 25-26 Budget

Motion by Committee: That the Executive Director is authorized to negotiate and enter into a contract amendment not to exceed \$3,314,000 with Cushman Wakefield to implement and administer building improvement projects at 375 Beale Street, San Francisco (Bay Area Metro Center) as described above and in the Bay Area Headquarters Authority Summary Sheet dated June 25, 2025, and the Chief Fiscal Officer (CFO) is directed to set aside funds in the amount of \$3,314,000 for such contract amendment, subject to the approval of the BAHA FY 25-26 budget.

Bay Area Headquarters  
Authority:

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Sue Noack, Chair

Approved: June 25, 2025

