

Memorandum

Agenda Item 4a

TO: Bay Area Headquarters Authority

DATE: October 19, 2016

FR: Executive Director

W. I. 9130

RE: **Contract Amendment – Property Management Services: Cushman & Wakefield of California, Inc. (\$1,130,000)**

This item would authorize the Executive Director or designee to negotiate and enter into a contract amendment with Cushman & Wakefield of California, Inc. (Cushman Wakefield), to add landlord projects to the scope of work to be performed under BAHA's property management services contract with Cushman Wakefield.

Background

On January 23, 2013, after a competitive procurement, BAHA authorized a contract with Cushman Wakefield to provide property management services at 375 Beale Street for a five-year term, with the option to renew for two additional five-year terms (the contract). Cushman Wakefield's responsibilities as property manager for BAHA include overseeing and administering the design and construction of designated capital projects on behalf of both BAHA and its tenants. Upon written approval by BAHA, Cushman Wakefield can act as BAHA's agent with respect to a BAHA project and agrees to perform the following services when designated:

1. Place for bid with contractors, tenant improvement or capital improvement work required to be completed in connection with the leasing of space or renovations at the Property;
2. Coordinate with Owner, tenants, architects, engineers, contractors and other consultants the preparation and finalization of construction drawings;
3. Oversee the administration of the construction contracts, including the construction schedule, disbursement process, lien-waiver collection and financial reporting;
4. Perform final walk-through and assist in the preparation of a final punch-list which itemizes all work which must be completed or which requires repair, if applicable;
5. Ensure adherence with the Project Stabilization Agreement, if applicable.

In 2015, BAHA approved several contract amendments with Cushman Wakefield to perform cold-to-warm shell work and oversee the Xerox Fastrak® Customer Service Center construction and build-out of the joint space that houses Ada's Café and the new Regional Resource Center ("The Hub").

Below is a summary of the existing projects with Cushman Wakefield under the Contract:

Property Management Services (5 year term)	\$1,100,000
Cold to Warm Shell Work (in progress)*	\$2,412,065
Xerox Tenant Improvements (<i>completed</i>)*	\$250,000
Ada's Café/Regional Resource Center (in progress)*	\$900,000
Total Existing Contract Authorization (<i>not to exceed</i>)	\$4,662,065

*Cost includes Cushman Wakefield's construction management fee, which varies from 2-6% based on project type and size.

Additional Landlord Projects (\$1,130,000)

Staff has identified additional projects to be performed under Cushman Wakefield's authority as BAHA's agent. The work will be completed by Cushman Wakefield's existing contractor bench, its A&E design team, or new contractors hired under the Cushman umbrella:

- Ada's Café/Regional Operations Center ("HUB") - \$130,000
Installation of audio-visual equipment, security system, mechanical, electrical and plumbing (HEP) infrastructure and other space-related improvements for the joint space.
- Parking Garage Equipment - \$150,000
Installation of equipment to facilitate Beale and Harrison Street garage parking control operations (gates, garage door openers and payment equipment).
- Building Improvements - \$350,000
Installation of miscellaneous building improvements including, but not limited to, card reader equipment in the stairwells on non-agency floors and additional card readers on Floor 2 and, electrical infrastructure and conduit on non-agency floors and garage area.
- 5th Floor Landlord Improvements \$500,000
The 5th floor will be a multi-tenant floor housing Degenkolb (tenant), MTC's Technology Services staff, the San Francisco Bay Conservation and Development Commission (BCDC), and potentially the San Francisco Estuary Partnership. As landlord, BAHA is obligated to design and build out the 5th floor corridor, which creates a path to/from the elevator, suites and restrooms, in time for Degenkolb's occupancy of its space on February 1, 2017. The original plan was to complete the corridor work and the demising wall for the Degenkolb suite in conjunction with the MTC/BCDC agency space. However, as the MTC/BCDC design is still underway, staff recommends completing the lobby and corridor as a separate project utilizing BCCI Builders, which is currently authorized to complete cold shell work on behalf of BAHA through the Cushman Wakefield bench. This money funds the design and construction.

Task Order(s) will be issued as the scope of work and costs for each project are further defined.

Attachment A includes a summary of Cushman Wakefield and its project team's small business and disadvantaged business enterprise status.

Recommendation

Staff recommends that the Authority authorize the Executive Director or his designee to negotiate and enter into a contract amendment with Cushman Wakefield to add landlord improvement projects to the scope of work Cushman Wakefield can perform under its property management services contract for a total amount not to exceed \$1,130,000.



Steve Heminger

SH:tg

Attachments

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Attachment A

Cushman Wakefield Property Management and Tenant Improvement Bench Contractors

	Firm Name	Role on Project	DBE* Firm			SBE** Firm		
			Yes	If Yes, List #	No	Yes	If Yes, List #	No
Consultant	Cushman & Wakefield of California, Inc.	Property Manager			X			X
Contractor	BCCI Builders	General Contractor			X			X
Contractor	Skyline Construction	General Contractor			X			X
Contractor	Smith Group JJR	A& E Design Team			X			X
Contractor	NOVO Construction	General Contractor			X			X
Sub-Contractor	Sprig Electric	Electrical Sub-contractor			X			X
Sub-Contractor	Convergent	Security System Sub-Contractor			X			X
	Others to be determined after bidding							

*Denotes certification by the California Unified Certification Program (CUCP).

**Denotes certification by the State of California.

REQUEST FOR AUTHORITY APPROVAL
Summary of Proposed Contract Amendment

Consultant:	Cushman & Wakefield of California, Inc. (San Francisco)
Work Project Title:	Property Management Services
Purpose of Project:	Provide property management services for 375 Beale Street
Brief Scope of Work:	Consultant shall provide property management services for 375 Beale Street. These services shall include construction management, including contracting with design consultants and construction contractors as BAHA's agent for capital improvement work, including work on Levels 1-6.
Project Cost Not to Exceed:	This amendment: \$1,130,000 Current contract authorization before this amendment: \$4,662,065 Maximum contract authorization after this amendment: \$5,792,065
Funding Source:	BAHA FY 2016-17 Capital Budget \$1,130,000 with \$130,000 for the Regional Resource Center work to be reimbursed by BATA from the RM2 Contract Contingency in the BATA FY 2016-17 Toll Bridge Program Operating Budget
Fiscal Impact:	Funding is included in the BAHA FY 2016-17 Capital Budget, with \$130,000 for the Regional Resource Center work to be reimbursed by BATA from the RM2 Contract Contingency in the BATA FY 2016-17 Toll Bridge Program Operating Budget
Motion by Authority:	That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with Cushman & Wakefield of California, Inc. for property management services as described above and in the Executive Director's Memorandum dated October 19, 2016, and the Treasurer and Auditor is directed to set aside funds in the amount of \$1,130,000 for such contract amendment.
BAHA Chair:	<hr/> Dave Cortese
Approved:	Date: October 26, 2016