

Bay Area Headquarters Authority (BAHA)

June 26, 2019

Agenda Item 3a

Contract Amendment – Property Management Services: Cushman & Wakefield of California, Inc. (\$660,000)

Subject: A request that the Authority authorize the Executive Director or designee to negotiate and enter into a contract amendment in the amount of \$660,000 with Cushman & Wakefield of California, Inc. (“Cushman Wakefield”) to implement and administer building improvements projects at 375 Beale Street, San Francisco (Bay Area Metro Center).

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. On December 29, 2017, BAHA authorized the first five-year renewal.

Cushman Wakefield’s responsibilities as property manager for BAHA include implementing and administering the design and construction of capital projects on behalf of both BAHA and its tenants. Upon written approval by BAHA, Cushman Wakefield acts as BAHA’s agent with respect to a given BAHA project and agrees to perform the following:

1. Place for bid with contractors, tenant improvement and/or capital improvement work required to be completed in connection with the leasing of space or renovations at the Bay Area Metro Center;
2. Coordinate with BAHA, 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. Assist contractors in obtaining notices of completion, certificates of occupancy, or equivalent documents;
6. Ensure adherence with all applicable laws, codes and regulations, including but not limited to building, fire and safety codes; and
7. Additional tasks as mutually agreed upon in advance.

The proposed contract amendment would fund the following projects from the FY 2019-20 Capital Improvement Building Budget:

- Air handling unit eyebrow and waterproofing installation: \$460,000; and
- Miscellaneous building improvements, including elevator efficiency study, freight elevator modifications, and Data Center Emergency Power Off (EPO) Button: \$200,000.

The \$660,000 would include 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 is it a disadvantaged business enterprise.

Issues: None

Recommendation: Staff recommends that the Authority authorize the Executive Director or designee to negotiate and enter into a contract amendment with Cushman Wakefield to add \$660,000 for implementation and administration of building improvement projects at the Bay Area Metro Center.

Attachments: Request for Committee Approval – Summary of Proposed Contract Amendment


Therese W. McMillan

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.: 9180, 9181

Consultant: Cushman & Wakefield of California, Inc.
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 2019-20 Budget

Project Cost Not to Exceed: This amendment: \$660,000
Current contract authorization before this amendment: \$7,715,064.80
Maximum contract authorization after this amendment: \$8,375,064.80

Funding Source: BAHA FY 2019-20 Capital Building Improvement Project Budget

Fiscal Impact: Funding subject to approval of the BAHA FY 2019-20 budget

Motion by Authority: That the Executive Director or 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 Bay Area Headquarters Authority Summary Sheet dated June 26, 2019, and the Treasurer and Auditor is directed to set aside funds in the amount of \$660,000 for such contract amendment, subject to approval of the BAHA FY 2019-20 budget.

BAHA Chair:

Scott Haggerty

Approved:

Date: June 26, 2019