

Bay Area Headquarters Authority (BAHA)

July 26, 2023

Agenda Item 2c - 23-0933

Contract Amendment – Property Management Services: Cushman & Wakefield of California, Inc. (\$2,757,660)

Subject:

A request that the Authority authorizes the Executive Director to negotiate and enter into a contract amendment in the amount of \$2,757,660 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, and the second renewal on December 21, 2022.

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 any 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 on 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 that 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 various building improvement projects from the FY 2023-24 Capital Improvement Building Budget including, but not limited to:

- Space Modifications for Hybrid Pilot: \$350,000
- Roof to First Floor Waterproofing: \$308,069
- Parking Garage Gate Control Replacement: \$195,072
- Level 1 Americans with Disabilities Act (ADA) Door Actuator Installation \$77,760
- Card Reader Security System Replacement: \$317,316
- Additional miscellaneous building improvements, to improve and maintain building functionality: Rincon hallway resurfacing and carpet replacement, Air handler units eyebrow installation, Davit operating procedures outline sheet (OPOS) repairs, Leadership in Energy and Environmental Design (LEED) Operations and maintenance certification: \$1,509,443.

The proposed \$2,757,660 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

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 \$2,757,660 for a new

contract not to exceed amount of \$16,252,461.80, for implementation and administration of building improvement projects at the Bay Area Metro Center.

Attachments:

Request for Committee Approval – Summary of Proposed Contract Amendment



Andrew B. Fremier

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.: 9161, 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 2023-24 Budget

Project Cost Not to Exceed: This amendment: \$2,757,660
Current contract authorization before this amendment: \$13,494,801.80
Maximum contract authorization after this amendment: \$16,252,461.80

Funding Source: BAHA FY 2023-24 Capital Building Improvement Project Budget

Fiscal Impact: Funding is subject to the approval of the BAHA FY 2023-24 Budget

Motion by Authority: That the Executive Director 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 July 26, 2023, and the Chief Fiscal Officer (CFO) is directed to set aside funds in the amount of \$2,757,660 for such contract amendment, subject to the approval of the BAHA FY 2023-24 budget.

BAHA Chair:

Alfredo Pedroza

Approved:

Date: July 26, 2023