



ADRIENNE J. TISSIER, CHAIR  
*Chair of MTC and BATA*

AMY REIN WORTH, VICE CHAIR  
*Vice Chair of MTC and BATA*

TOM BATES  
*Vice Chair,  
BATA Oversight Committee*

DAVE CORTESE  
*Chair,  
MTC Administration Committee*

BILL DODD  
*Chair,  
BATA Oversight Committee*

SCOTT WIENER  
*Vice Chair,  
MTC Administration Committee*

STEVE HEMINGER  
*Executive Director*

ANN FLEMER  
*Deputy Executive Director, Policy*

ANDREW B. FREMIER  
*Deputy Executive Director, Operations*

## BAY AREA HEADQUARTERS AUTHORITY (BAHA)

April 25, 2012

### MINUTES

#### Attendance

Chair Adrienne Tissier convened the meeting at 10:30 a.m. In addition to Chair Tissier, the following Authority members were in attendance: Tom Bates, Dave Cortese, Bill Dodd, Scott Wiener and Vice Chair Amy Rein Worth.

Additional MTC Commissioners in attendance: Scott Haggerty, Anne Halsted, Steve Kinsey, Jim Spering, Bijan Sartipi and David Campos.

#### Quorum was confirmed

#### Minutes

Upon the motion of Commissioner Dodd and the second from Commissioner Cortese, the Authority unanimously approved the meeting Minutes of the March 28, 2012 meeting.

#### 390 Main Status Report April 2012

Mr. Stephen Wolf, BAHA staff informed the Authority of the continued progress on the 390 Main Building Project with Perkins + Will who have delivered agency programs and conceptual design charrettes. A series of interagency meetings have occurred to discuss Information Technology, sustainability, and office layout needs. Productive meetings with the City of San Francisco for zoning requirements have also taken place.

Commissioner Bates asked if there will be schematic drawings presented to the Authority anytime soon. Mr. Wolf replied that BAHA staff is working on producing presentable drawings that could be brought before the Authority in a month or two. Commissioner Bates further asked about the parking status of the new building. Mr. Wolf answered that the building has a constraint of 7% of gross square feet that can be allocated to parking. Mr. Heminger further added the Agencies are looking at fleet size and car-sharing arrangements. Mr. Heminger added that there is also the possibility of negotiating with the Department of Transportation "Caltrans" for parking space at a nearby parking lot that is owned by Caltrans. Mr. Fremier added that the building would have space for 100 to 125 vehicles. Commissioner Bates stated that BAAQMD requires the majority of vehicle spots to do its work. Other agencies should seriously consider non-vehicle modes of transportation and encourage smart car sharing options. Ms. Green added that BAAQMD's fleet use would be most heavy only once or twice a month as this is when the BAAQMD inspectors would need to be on site. Ms. Green mentioned that the BAAQMD is reviewing options.

Commissioner Rein Worth mentioned that for agencies that have evening meetings, public transportation is not an option, particularly for those commuting from the outer region areas; there needs to be a plan to accommodate evening meetings.

Mr. Heminger invited the Commissioners to look at the conceptual drawings that are displayed on the 2<sup>nd</sup> floor hallway that show ideas of co-location and adjacencies. Commissioner Bates asked if informal collaborative space is being designed for the new building. Mr. Wolf replied affirmatively.

Contract – 390 Main Street, Leasing Agency and Property Management Services: Cushman & Wakefield of California, Inc. (\$1,000,000)

Ms. Teri Green, BAHA staff, informed the Authority about the procurement for the 390 Main Street, Leasing Agency and Property Management Services. She discussed the process to select the recommended firm of Cushman & Wakefield of California, Inc. Ms. Green requested the Authority approve the contract with Cushman & Wakefield of California, Inc. in an amount not to exceed \$1,000,000.

Commissioner Cortese expressed concern that the minimum qualifications required within the Request for Qualifications (RFQ) may have been too restrictive and this may have played a factor in the small bid pool. Commissioner Cortese asked if it is possible to re-submit the RFQ and rework the minimum qualifications to get a broader pool. Ms. Green mentioned there were two other firms that were interested; one submitted its proposal too late and the other did not submit due to their firm's financial instability. Mr. Mayhew further explained that staff sought firms with the financial stability and experience to handle a building the size of 390 Main Street.

Commissioner Tissier inquired why none of the BAHA board members were involved in the process in light of the long-term nature of the contract; she noted there is expertise in this particular area on the Board. Mr. Heminger answered that typically Board members are not involved in the procurement process except in the financial audit process, where the Authority has a fiduciary role. Mr. Heminger further stated that rebidding this particular contract is an option since the services required are not on a critical path. However, Mr. Heminger noted that the current contract with Amerimar, the former owner, expires June 30, 2012; there will be a need to extend this contract.

Commissioner Tissier asked for clarification as to whether the \$1,000,000 cost is for each year until the year 2017. Ms. Green replied that the next step is to negotiate a final cost and budget over the next five years but the \$1,000,000 would cover initial expenses. Commissioner Cortese stated that he is reluctant to authorize an open-ended contract. The actual fee structure should be brought to the Board with the fiscal implications before contract approval. Commissioner Cortese further stated he is not certain if having one contractor serve as both leasing agent and property manager is needed or the best practice at the moment with only one tenant in the San Francisco building.

Commissioner Rein Worth stated that the challenge is that the Authority is looking for a commercial firm that can first help obtain tenants and then maintain the on-going relationship. Mr. Heminger stated that putting the leasing and the property management activity together in one contract has exerted pressure to make the minimum qualifications high. Splitting the activities may encourage more competition by lowering them.

Commissioner Dodd inquired whether the Authority needed to spend the money now for leasing and property management services before really understanding the financial metrics and whether a firm was needed to manage a building that will be under construction.

Non BAHA Authority member, Commissioner Kinsey inquired whether it is realistic to obtain cost estimates on the front end if we have not clearly defined the services needed. Mr. Heminger stated that by lumping the services together, we are making it more difficult to have a firm handle on each piece. The need right now is primarily for a firm to turn the lights on and to find tenants. And then the transition will be to manage the property that the tenants will work in. Mr. Heminger suggested that it may be better to split the work and proceed now with one scope for limited property management services. Commissioner Kinsey inquired whether the existing contractor was interested in continuing. Mr. Heminger stated that staff would need to explore that option, even on an interim basis.

Commissioner Tissier suggested that there be another BAHA meeting to understand how we might want to have the project broken out. She also suggested that BAHA members could serve on a panel to assess what BAHA is getting for the dollars, and to clearly spell out the scope.

Chair Tissier asked that Commissioners Cortese and Vice Chair Rein Worth be appointed to serve on the panel and that the procurement be reissued based on their findings.

Commissioner Cortese made a motion that staff review the concerns raised including a larger pool of applicants, commissioner involvement, fiscal impact that is more defined based on deliverables, and to report back in 30 days.

Mr. Heminger suggested as an alternate approach that the Authority reject staff's recommendation and instead direct it to develop a new procurement package according to the parameters discussed, to delegate to that process the question of whether the scope should be split into two parts, and to determine what to do with the existing property manager until a new one is chosen, and that when the process is complete, to bring it back to the Authority for approval. Commissioner Cortese then withdrew his motion and made the recommendations as stated by Mr. Heminger in lieu of Commissioner Cortese's original motion.

The motion was seconded by Commissioner Bates. The motion passed unanimously and Commissioners Rein Worth and Cortese were appointed to advise staff on developing the RFP.

#### Public Comment/Other Business/Next Meeting/Adjournment

There being no further public comment or business, Chair Tissier adjourned the meeting at 11:23 a.m. The next BAHA meeting is scheduled for May 23, 2012 in Oakland, California at a time to be duly noted.