

Memorandum

Agenda Item 3

TO: Bay Area Headquarters Authority

DATE: June 18, 2014

FR: Executive Director

W. I. 9130

RE: 375 Beale Street Status Report – June 2014

1. Architectural and Engineering Services Update

Permits have been issued for the base scope of work. Design-build components, developed by the Contractor, include fire sprinkler, fire alarm, fall protection, skylight design, and stairway. These will be reviewed as they are developed.

2. Construction Update

Seismic retrofit work is expected to be complete in June, with the exception of the south halves of Level 7 and 8, which will be completed after the Drug Enforcement Administration (DEA) relocates. McCarthy is currently installing core mechanical, electrical, and plumbing (MEP) infrastructure through the north half of the building; the south half will be installed after DEA relocates. Clash detection of MEP on each floor is near completion; this will ensure the infrastructure will fit without conflict between the trades. Installation on Level 6 has begun, with Levels 1 and 2 and the north halves of 7 and 8 to follow. A copy of recent construction photos is included as Attachment A.

4. DEA Update

In December 2012, the Government Services Administration (GSA) provided BAHA a schedule showing the DEA moving out of 375 Beale in April 2014 into its new office/laboratory space in Pleasanton. Over the last 17 months, GSA has run into delays during procurement, design development, and construction contract negotiation. On a May 8th conference call, GSA identified February 1, 2015 as the new date the DEA's relocation to Pleasanton will be complete and their current space turned over to BAHA. After reviewing GSA's draft schedule, BAHA staff expects the date will be at least a month later or March 1, 2015.

DEA's occupancy of the south half of Level 8 prevents BAHA from performing structural work in that area and the area below on Level 7, because of the need to dowel through the slab between floors. Consequently, the work that would follow, including MEP and drywall installation for the agency fit-out must also wait. In addition, DEA's utilities are connected to all core MEP systems that run vertically through the building. Refurbishment and tie-ins to new equipment must be completed in a way that allows DEA to continue operation if the work is to occur concurrently with DEA's occupancy. The delayed DEA relocation requires the construction schedule be revised to complete system tie-ins with the DEA in operation because of the shortened window between when the DEA leaves and new tenants move in.

BAHA's previous project schedules showed work that did not affect DEA operations to be completed first. This included the seismic retrofit of Levels 1-6, and tenant improvements on Levels 1, 2 and 6. After DEA moved out, core building MEP system tie-ins and Levels 7-8 could be completed. BAHA is now preparing a schedule for non-agency tenant occupancy on Levels 1 through 5 by September 1, 2015 and Agency occupancy in December 2015. In addition to schedule revisions, staff will begin to negotiate with McCarthy the additional cost for the accelerated work, work-arounds, and extended cost of general conditions /overhead due to the extended schedule. Staff anticipates presenting these schedule and financial impacts in September 2014.

5. 201 Folsom Construction

Developer Tishman Speyer continues its construction on the neighboring residential condominium towers, which will have reached the height of 375 Beale by this meeting. Staff met with Tishman Speyer to discuss how Rincon Place, the strip of land situated between Tishman Speyer's building and BAHA's, building between Main and Beale Streets, might be developed with a unified design. BAHA and Tishman Speyer are exploring ideas of how to share the design, construction, and maintenance cost of the mid-block passage.

6. Inter-agency Collaboration

The vision for 375 Beale Street includes sharing business operations and technology functions among MTC, BAAQMD and ABAG at move-in. The Executive Directors are reviewing options for jointly shared functions along with the governance, legal, personnel and financial changes required to implement shared services. The IT managers will work with Accenture LLP to develop technical design and specifications to procure, configure and install technology for shared email, telephone, visitor management, scheduling and audio/video and webcasting systems.

7. Furniture Procurement

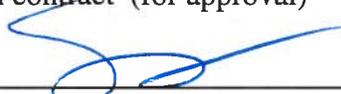
On January 17, 2014 BAHA issued a Request for Proposals (RFP) inviting dealers to submit proposals to provide and install furniture, including office/workstations, public spaces and other ancillary furniture needs for 375 Beale Street. Staff recommendation for the Dealer/Manufacturer Team recommendation is included as Agenda Item #5.

8. Leasing Opportunities

Cushman Wakefield is actively marketing the non-agency space on Levels 2 through 5 and two retail spaces on Level 1. There continues to be strong interest by prospective tenants. However, due to delays in the pending DEA relocation, several prospective tenants dropped the building from further consideration until the ready for occupancy date is known. Once tenant deals advance to the Letter of Intent stage, staff will present them to BAHA for approval.

9. Look Ahead Schedule

- July 2014
 - Utility undergrounding construction contract (for approval)



Steve Heminger

Attachment

Construction pictures
June 11, 2014



Figure 1: Future Board Room before removal of columns (September 2013).



Figure 2: Future Board Room with two columns removed. Load is supported by two concrete walls on Level 2 (June 2015).



Figure 3: Completed Beale Street entry concrete strengthening and new Level 2 slab/diaphragm connection to exterior wall.



Figure 4: New Level 6 restroom plumbing.