

Memorandum

Agenda Item 3

TO: Bay Area Headquarters Authority

DATE: January 21, 2015

FR: Executive Director

W. I. 9130

RE: 375 Beale Street Status Report – January 2015

Assuming that the DEA relocates as currently planned, we are eleven (11) months from relocating to 375 Beale Street in December 2015.

1. DEA Update

We now expect GSA to complete construction at its new Pleasanton facility and relocate by March 1, 2015. Based on a January 9 update conference call, GSA advised that it expects to receive a temporary certificate of occupancy for its new space in Pleasanton and start the DEA's relocation in the last week of January. Once the relocation is complete, GSA will decommission the lab, certifying that all hazardous materials have been removed. Once certified, BAHA expects to be able to start its improvements. The relocation and decommissioning of the existing space is expected to take two to three weeks and be completed by the end of February.

2. Construction Update

McCarthy Building Companies, Inc. (McCarthy) has prepared a revised schedule that accounts for the delayed relocation of the Drug Enforcement Agency (DEA) from the building to Pleasanton. If the DEA's space is turned over to McCarthy for demolition by March 1, 2015, BAHA expects the agency move-in to occur in December 2015. The first commercial tenants could begin their tenant improvements in August 2015 and move in as soon as Spring 2016.

On Level 6, walls are being closed up and finishes are being installed. Framing of offices and installation of utilities continues on Levels 1 and 2 and the north sides of Levels 7 and 8. The atrium storefront is installed and the atrium sprinklers and slab trim are being installed. In the board room, the tiered seating and raised dais slab are installed. The skylight framing has been installed. A copy of recent construction photos is included as Attachment A.

Attachment B, Budget Revision Table, shows the projected allocation of funds that were authorized with the November 2014 budget revision. Various contracts have been or will be brought to BAHA for approval to incorporate these funds. Attachment C, Contingency Table, shows the total project contingency with the additional contingency authorized in November and held by BAHA.

3. Architectural and Engineering Services Update

Perkins + Will (P+W) is performing site observations and reviewing submittals and requests for information from McCarthy for building products, finishes and equipment. P+W is finalizing the

design on the extension of the atrium stair to Level 5 and will initiate programming and design work associated with MTC's expansion to the Level 5 space.

4. Inter-agency Collaboration

The MTC, ABAG and Air District executive management team continues to meet monthly to discuss shared business operations and technology solutions. The current focus is on finalizing a staffing plan to jointly share various business operations services including meeting room management, receptionist, copy center, and agency facility management services. Additional work is being developed on parking, security, EV charging stations and infrastructure, shuttle services and the condo association development and management.

5. Technology

The Technology Services Design for telephony, video conferencing, and shared services applications (e.g., visitor management and conference room scheduling) is nearing completion. The design for the network that will serve the building and shared agency services has been completed. Procurement of the first network infrastructure equipment was approved during the November Bay Area Headquarters Authority meeting. The equipment has been purchased and is expected to arrive between February and March.

Workshops to finalize the details for video/audio webcasting in the board and multi-purpose rooms will be conducted in January and February with the vendor, GovTV. Planning has begun for the Internet connections that will service webcasting, video conferencing, cloud computing, and general office needs for the regional agencies. Two telecommunications connections are planned for use to reduce the risk of outage.

6. Furniture Procurement

Funding is included in the project budget to procure office furniture for the agency spaces including offices/workstations, executive offices, public meeting and conference rooms and other specialized spaces. BAHA is working with Tom Eliot Fisch Architect (TEF) and Hogue, the furniture dealer, to update the agency floor plans to show specific seating assignments and office furniture configurations selection information provided by each Agency. BAHA is also working with TEF and Hogue on furniture fabric, finishes and color options. Hogue is refining the preliminary furniture installation schedule to align with the construction activities.

We are also preparing for a "Chair Sit Test" in the February/March timeframe. Sample task seating, executive office, board member/dais and conference room chairs and seats will be delivered to the MetroCenter and the Ellis Street building so staff and board members can provide feedback on functionality and features prior to finalizing the selection of approximately 2,000 chairs for the new building.

7. Move Coordination

A contract was executed with Relocation Connections, Inc. to provide planning for the relocation of approximately 600 staff from two different locations, a laboratory, and information technology equipment and infrastructure. The firm will also assist with the procurement, pricing and selection of the physical mover(s) and other related services. Meetings with the three agency project team began in December to review a preliminary timeline and detailed move activities. The initial work will include site visits, inventory of existing furniture, capacity and disposition planning.

8. Leasing Opportunities

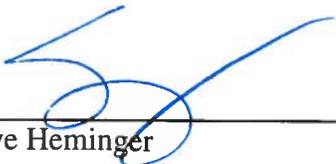
Cushman & Wakefield continues to market non-agency space on Levels 2 through 5 and two retail spaces on Level 1 to commercial and retail tenants. A boilerplate lease agreement has been prepared by the office of General Counsel that will be utilized to develop lease agreements. We are continuing negotiations with Rutherford+Chekene for space on Level 3 and discussions with the FasTrak® Customer Service Center about its pending relocation to the building.

9. San Francisco Bay Conservation and Development Commission (BCDC) Update

BCDC prepared a report to State Legislature with options for a possible relocation to 375 Beale Street. No additional information is known at this time.

10. Look Ahead

- March
 - Furniture procurement approvals
 - Information technology equipment and systems
 - Board Room and public meeting space presentation
 - Project Risk Management Update



Steve Heminger

Attachment

J:\COMMITTEE\BAHA\2015\01_January 2015\3_January 2015 Status Report.doc

Construction Pictures – January 14, 2015



Figure 1: Board room tiered seating and elevated dais floor poured cast in concrete.



Figure 2: Installation of tile finish in L6 restroom.

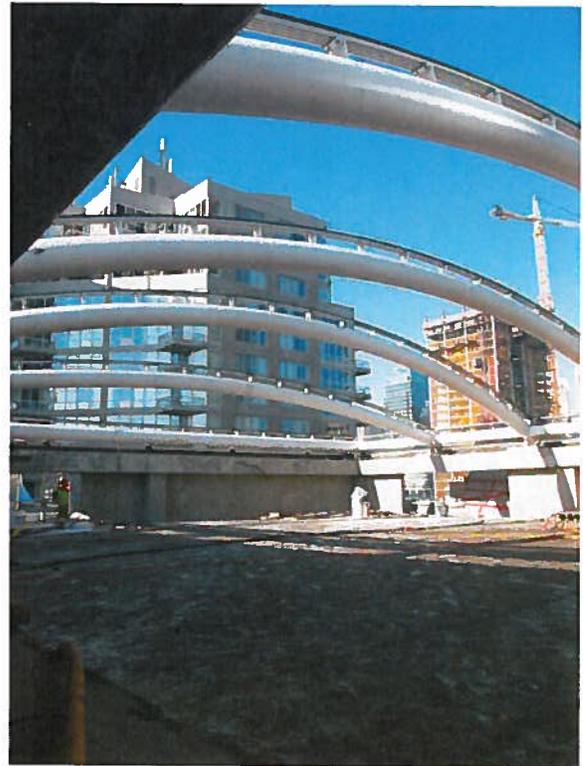


Figure 3: Skylight framing installed above atrium, with temporary covering below.

	Category	Budget	Percent	Description	Existing (e) and Projected (p) Contract Amendments
A	Base Building				
A1	DEA 11-Month Delay	\$11,400,000	35%	<ul style="list-style-type: none"> •McCarthy general conditions (\$6.5M) •Extension of consultant support (\$2.8M) •Insurance (\$0.3M) •Workarounds (\$1.8M) 	McCarthy (p) = \$6.5M Harris (e) = \$1.55M, Perkins + Will (p) = \$1.25M Liberty (p) McCarthy (p) = \$1.8M
A2	Project Contingency	\$7,000,000	21%	•Additional project contingency (\$7.0M)	Contingency held by BAHA for the following contracts: Harris (e) = \$0.5M, Perkins + Will (p) = \$0.3M, McCarthy (p) = \$1.5M, To be Determined (TBD) = \$4.7M
A3	Subtotal Base Building Costs	\$18,400,000	56%		
B	New Work Beyond Base Building				
B1	Advance Landlord Work on Non-Agency Floors	\$7,000,000	21%	<ul style="list-style-type: none"> •Atrium glass, restrooms, windows previously approved by BAHA (\$3.0M) •MEPF installation on L2-5 (\$4.0M) 	McCarthy (e) TBD
B2	Agency Floors	\$5,900,000	18%	<ul style="list-style-type: none"> •Shared Services Assessment/Accenture (\$0.7M) •Expansion to L5 (\$3.0M) •Furniture for previously unprogrammed spaces (\$0.7M) •Revision to diverged IT network (\$1.0M) •Air District L6 change orders (conversion of workstations to offices, high density file systems, specialty room redesign) (\$0.25M) •Other Agency Revisions (\$0.25M) 	Accenture (e) Perkins + Will (p) = \$0.2M, TBD=\$2.8M Hogue (p) = \$0.7M Perkins + Will (p) = \$0.1M, TBD = \$0.9M Perkins + Will (e) = \$0.05M, McCarthy (p) = \$0.2M Perkins + Will (p) = \$0.05M, TBD = \$0.20M
B3	Public Benefit	\$1,600,000	5%	<ul style="list-style-type: none"> •Utility undergrounding (\$1.1M) •Rincon Place landscape (\$0.5M) Note: Additional \$0.31M from insurance will be required for this work. 	A&B Construction (e) = \$0.5M PG&E (e) = \$0.5M TBD
B4	Subtotal New Work	\$14,500,000	44%		
	Total	\$32,900,000	100%		

Attachment C: Contingency Table

ID	Use of Contingency	Budget	Unspent	Notes
1	Design Contingency	\$9.4M	\$0.0M	For additional costs during the development of the design, included in the Guaranteed Maximum Price (GMP).
2	Owner's Construction Contingency	\$4.3M	\$0.3M	For Owner requested changes to McCarthy Contract, design clarifications and differing site conditions.
3	Contractor Contingency	\$4.3M	\$4.2M	Unspent, but reserved for Contractor's use. 70% of what is unused is returned to BAHA.
4	Additional Owner's Contingency	\$7.0M	\$7.0M	Contingency held by BAHA for the following contracts: Harris (e) = \$0.5M, Perkins + Will (p) = \$0.3M (subject to BAHA approval 1/2015), McCarthy (p) = \$1.5M (subject to BAHA approval 1/2015), TBD = \$4.7M
	Total	\$18.0M	\$11.5M	