

Agenda Item 2d

TO: Bay Area Headquarters Authority

DATE: April 15, 2015

FR: Deputy Executive Director

W. I. 9130

RE: Contract Amendment – Property Management Services: Cushman & Wakefield of California, Inc. (\$250,000)

This item would authorize the Executive Director or designee to negotiate and enter into a contract amendment with Cushman & Wakefield of California, Inc. (“Cushman Wakefield”) to perform construction management services as a subset of its property management services on behalf of BAHA and for other tenant improvement projects at 375 Beale Street, San Francisco.

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. Cushman Wakefield’s responsibilities as property manager for BAHA include overseeing and administering the design and construction of capital projects on behalf of both BAHA and its tenants. Upon written approval by BAHA, Cushman Wakefield will act as BAHA’s agent with respect to a 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 Property;
2. Coordinate with Owner, 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;
7. Additional tasks as mutually agreed upon in advance; and
8. Ensure adherence with the Project Stabilization Agreement, if applicable.

In November 2014, BAHA authorized the addition of \$4,000,000 for cold-to-warm shell improvements. This work includes installing mechanical, electrical, plumbing, and fire protection on each shelled floor to accelerate the readiness of these spaces for tenants to install their own tenant improvements.

Cushman Wakefield secured the services of SmithGroupJJR in San Francisco to perform the design for tenant improvements. Tenants would be able to use SmithGroupJJR to complete the design of their tenant improvements. (SmithGroupJJR was one of the three shortlisted firms for BAHA's RFQ for the base building renovation and retrofit).

Cushman Wakefield issued a Request for Proposals to contractors to perform Owner and tenant improvement work. Contractors were evaluated on criteria that included relevant experience and construction fee. Cushman Wakefield determined BCCI Builders, NOVO Construction, and Skyline Construction provided the best value and have retained the three on its contractor bench. Tenants would be required to use one of these three firms for the build-out of tenant space.

In anticipation of negotiating a lease agreement with Xerox State & Local Solutions, Inc. ("Xerox") to relocate the FasTrak Customer Service Center to 375 Beale Street, BAHA recommends entering into an agreement with Cushman Wakefield to allow design and pre-construction activities to commence. Xerox is anticipated to relocate in February 2016 and the timing requires Xerox's tenant improvements be completed concurrently with the (landlord) cold-to-warm shell improvements for that floor.

Staff requests Cushman Wakefield's contract be amended by \$250,000 for the following project development costs:

1. \$100,000 for a contractor from Cushman Wakefield's bench to perform preconstruction activities for cold-to-warm shell improvements, including drawing and utility coordination, and schedule and bid package development. These costs are included in the BAHA project budget.
2. \$100,000 to fund design of Xerox's tenant improvements. This work will be reimbursed by BATA through its contract with Xerox.
3. \$50,000 for Cushman Wakefield's project management services to oversee both projects. The fees will be divided proportionally between both projects based on the pre-determined fee schedule established in its agreement with BAHA.

Staff will seek contract approval for the cold-to-warm shell work once the pre-construction activities are completed. Attachment A includes a summary of Cushman Wakefield and its project team's small business and disadvantaged business enterprise status.

Recommendation

Staff recommends that the Authority authorize the Executive Director or his designee to negotiate and enter into a contract amendment with Cushman Wakefield to add an amount not to exceed \$250,000 for construction management, design, and preconstruction services at 375 Beale Street.



Andrew B. Fremier

ABF:tg

Attachment

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REQUEST FOR AUTHORITY APPROVAL

Summary of Proposed Contract Amendment

Consultant: Cushman & Wakefield of California, Inc. (San Francisco)

Work Project Title: Property Management Services

Purpose of Project: Provide property management services for 375 Beale Street

Brief Scope of Work: Consultant shall provide property management services for 375 Beale Street. These services shall include construction management, including contracting with design consultants and construction contractors as BAHA's agent for capital improvement work.

Project Cost Not to Exceed: This amendment: \$250,000 as follows:

- \$100,000 – Cold to Warm Shell Preconstruction Work
- \$100,000 – Design work for Xerox Tenant Improvements
- \$50,000 – Project Management Fees

Current contract before this amendment: \$1,100,000

Maximum contract amount after this amendment: \$1,350,000

Funding Source: BAHA FY 2014-15 Budget

Fiscal Impact: Funding is included in BAHA's FY 2014-15 Budget

Motion by Authority: That the Executive Director or his 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 Executive Director's Memorandum dated April 15, 2015, and the Treasurer and Auditor is directed to set aside funds in the amount of \$250,000 for such contract amendment.

BAHA Chair: _____
Dave Cortese

Approved: Date: April 22, 2015

Attachment A

	Firm Name	Role on Project	DBE* Firm			SBE** Firm		
			Yes	If Yes, List #	No	Yes	If Yes, List #	No
Consultant	Cushman & Wakefield of California, Inc	Property Manager			X			X
Consultant	SmithGroupJJR	Design Services			X			X
Contractor	BCCI Construction Company	Contractor			X			X
Contractor	NOVO Consturction	Contractor			X			X
Contractor	Skyline Consturction	Contractor			X			X

*Denotes certification by the California Unified Certification Program (CUCP).

**Denotes certification by the State of California.