

# Bay Area Headquarters Authority (BAHA)

December 20, 2023

Agenda Item 2b - 23-1472

## Contract Amendment – Property Management Services: Cushman & Wakefield of California, Inc. (\$1,540,423.50)

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### **Subject:**

A request that the Authority authorizes the Executive Director to negotiate and enter into a contract amendment in amount not to exceed \$1,540,423.50 with Cushman & Wakefield of California, Inc. (“Cushman & Wakefield”) for the repair of the building façade 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.

In August of 2023, Cushman & Wakefield engaged a third-party consultant to provide façade inspections of the Bay Area Metro Center (BAMC) in conformance with the San Francisco Building Façade Inspection and Maintenance Program (AB-110). The inspection report identified repairs and maintenance work of the façade were necessary. Additional funds are being requested to grant Cushman & Wakefield approval to proceed with the necessary building repairs, which include repair of concrete spalls on the building’s façade, along with further inspection of corroded sheet metal flashing at the Air Handling Unit, waterproofing of windows, metal cladding appendages, and terrace; all in accordance with the San Francisco ordinance AB-110 which is required by 2025.

The proposed amendment not to exceed amount of \$1,540,423.50 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:**

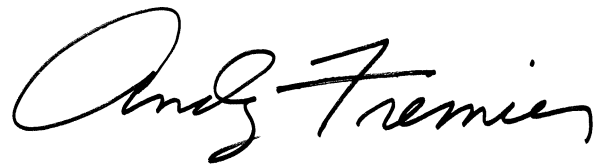
None

**Recommendation:**

Staff recommends that the Authority authorize the Executive Director or designee to negotiate and enter into a contract amendment with Cushman & Wakefield in an amount not to exceed \$1,540,423.50 for the repair of the building façade for a new contract not to exceed amount of \$17,792,885.30.

**Attachments:**

Request for Committee Approval – Summary of Proposed Contract Amendment



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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: \$1,540,423.50  
Current contract authorization before this amendment: \$16,252,461.80  
Maximum contract authorization after this amendment: \$17,792,885.30

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 December 20, 2023, and the Chief Fiscal Officer (CFO) is directed to set aside funds in the amount of \$1,540,423.50 for such contract amendment, subject to the approval of the BAHA FY 2023-24 budget.

BAHA Chair:

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Alfredo Pedroza

Approved:

Date: December 20, 2023