

ADRIENNE J. TISSIER, CHAIR
Chair of MTC and BATA

November 16, 2012

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

ADDENDUM NO. 1 TO

REQUEST FOR QUALIFICATIONS (RFQ)

for the REGIONAL AGENCY HEADQUARTERS FACILITY

at 390 MAIN STREET, SAN FRANCISCO:

LEASING AGENT and/or PROPERTY MANAGEMENT SERVICES

DATED OCTOBER 23, 2012

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

Dear Proposer:

This letter is Addendum No. 1 to the Request for Qualifications (RFQ) for the Leasing Agent and/or Property Management Services at BAHA's Regional Agency Headquarters Facility (BAHA Facility) located at 390 Main Street, San Francisco, dated October 23, 2012. Where text is revised, deleted text is shown in strike-through format; added text is *italicized*. The RFQ is revised as follows:

STEVE HEMINGER
Executive Director

ANN FLEMER
Deputy Executive Director, Policy

ANDREW B. FREMIER
Deputy Executive Director, Operations

<u>Addendum Item</u>	<u>Reference</u>	<u>Change(s)</u>
1.	Request for Qualifications (RFQ), I. <u>Background and Existing Condition</u> B. <u>Development Plans</u> , 4 th Paragraph, Page 2	The remaining three (3) floors will be leased to other tenants and designed to a warm <i>cold</i> shell condition. Inclusion of food service vendors are planned for the first floor; to be negotiated by the leasing agent. Updated information regarding the design plans are posted along with the RFQ on the MTC website at: http://procurements.mtc.ca.gov/ .
2.	Request for Qualifications (RFQ), Section VI, <u>Form of Statement of Qualifications</u> , Subarticle D, <u>Qualifications and References – Leasing Agent</u> , Page 6	5. Provide a list of owners <i>properties</i> under active (or over last 10 years) leasing representation located within the nine county San Francisco Bay Area by the Proposer's firm and include at a minimum the following information: <ul style="list-style-type: none"> • Owner/Agent name • Properties represented (including full address) • Building Total SF • Total SF under leasing management

<u>Addendum Item</u>	<u>Reference</u>	<u>Change(s)</u>
2. (continued)		<ul style="list-style-type: none"> • List dates/year property under Proposer's leasing management • Grand totals for square footage information provided. • Highlight specific buildings located in downtown San Francisco that your firm represents;
3.	<p>Request for Qualifications (RFQ), Section VI, <u>Form of Statement of Qualifications</u> Subarticle E, <u>Qualifications and References-Property Management</u>, Page 7</p>	<p>1. Please provide the following information; address each category, be concise and attach additional information if necessary:</p> <ul style="list-style-type: none"> • Experience over the past 5 years 10 years acting as an owner's representative relating to property management with emphasis on buildings in excess of 350,000 square feet and in the San Francisco Bay Area; • Experience managing commercial property with a mix of government agencies (local/state/federal) and private companies; • Location of principal office proposed to administer project; and • Evidence appropriate staff is licensed as a real estate broker in California.

Questions and Answers regarding this RFQ are enclosed with this Addendum. The remaining provisions of the RFQ, dated October 23, 2012, remain unchanged. In the event of a conflict between this Addendum and the previous version(s), this Addendum takes precedence.

Any questions concerning this addendum to the RFQ should be directed to Teri Green, Project Manager, at (510) 817-5750 or tgreen@mtc.ca.gov.

Sincerely,



Andrew B. Fremier
 Deputy Executive Director, Operations

AF: DR

November 16, 2012

**Request for Qualifications (RFQ)
for the Regional Agency Headquarters Facility
at 390 Main Street, San Francisco:
Leasing Agent and/or Property Management Services,
Dated October 23, 2012**

**Questions & Answers:
From Proposers' Conference & Site Tour at 390 Main Street,
San Francisco, CA on November 7, 2012
and Received as Clarifications and Exceptions on November 9, 2012**

- Q1 Do the agencies have parking requirements?
A1 There will one hundred (100) parking spaces developed for pool cars, public officials, visitors and staff. BAHA expects that tenants will need parking as well.
- Q2 Does BAHA expect to have valet or regular parking?
A2 Valet will allow for more cars, however, BAHA expects the leasing agent to make recommendations for how to maximize parking. BAHA also desires the property manager to recommend options for the parking management, including contracting with a third-party provider.
- Q3 Can the tenant floors be divided up?
A3 Yes. BAHA expects to develop the tenant spaces as cold shell, which would allow for the tenant floors to be divided up, but the tenant floors will be divided based on the tenant's needs.
- Q4 When will the tenant spaces be ready for improvement, will it be in April 2014?
A4 It will likely be ready by Summer 2014.
- Q5 Will any elevators be dedicated for agency use only?
A5 No. The elevators will be accessible to all building occupants.
- Q6 Will security in the building remain the same or will it be increased/decreased after construction?
A6 The building will continue to have security, including guards and controlled access doors. As a public facility, BAHA is required to allow the public to access public areas of the 1st floor freely, but BAHA will control access to the agency and tenant floors. Tenants can decide the level of access and control desired into their space and floors.
- Q7 Will there be any freight elevators in the building after construction?
A7 Yes, there will be one freight elevator with accessibility to all floors.
- Q8 Will there be a way to get construction materials into the floors?
A8 See Answer #7.

Q9 Will there be specifications provided for the cold shell?

A9 See Answer #35.

Q10 Will the board room be available for tenant use when it is not being used by the agencies?

A10 Priority will always be given to the agencies for public meetings. Depending on availability, tenants may be able to use the space.

Q11 How many financial reports will the property manager be required to provide?

A11 The property manager will be required to provide, at a minimum, one monthly report for BAHA; contents are to be determined.

Q12 Is there a particular type of cash accrual required by BAHA?

A12 The property manager should use a standard cash accrual basis.

Q13 Is there a required financial system that the property manager should use?

A13 No.

Q14 The Standard MTC Consultant Agreement included as Appendix D in the RFQ reflects a "Consulting" arrangement unlike a typical "listing" agreement and/or and Contract for property management services. Can proposers propose changes to Appendix D?

A14 BAHA understands that Appendix D is a Standard MTC Consultant Agreement. If a proposer wishes to propose a change to any standard BAHA contract provision, the provision and the proposed alternative language must be submitted prior to the closing date for receipt of requests for clarifications/exceptions listed in the RFQ. All such requested changes will be reviewed by BAHA. Additionally, per Section VI, Form of Statement of Qualifications, Subarticle G, Consultant Agreement, "Proposers shall also provide copies of any agreements that BAHA will be required to sign as part of engaging the firm for Leasing Agent and/or Property Management Services."

Q15 Is it BAHA's intent to build their space with an open ceiling or a drop ceiling?

A15 Both – it is BAHA's intent that the open spaces will have open ceilings and some of the enclosed offices will have drop ceiling to conceal the cabling and pipes.

Q16 What additional vendors does BAHA want the leasing agent to have as subcontractors?

A16 Proposers need to propose any subcontractors, which BAHA will review.

Q17 Will there be a dedicated space in the building or on-site during construction?

A17 Proposers will need to propose any dedicated spaces required in the building, including the time frames for which it will be required.

Q18 Will compensation be per our schedule in our RFQ response contingent on signing leases?

A18 Proposers will need to include all terms and conditions in the compensation schedule.

Q19 Will the contract provide for a protection period for deals in progress if there is a termination?

A19 Proposers will need to specify all terms and conditions for compensation in the event of termination.

- Q20 Can Proposers anticipate that we will have a management office on site – for property management similar to other assignments?
A20 Yes. The selected Consultant should provide any design requirements for this space.
- Q21 What is the fiscal accounting/reporting year for BAHA?
A21 July 1 – June 30.
- Q22 How is 390 Main managed onsite now?
A22 BAHA currently owns 390 Main outright and has oversight of the building. Property Management services are currently contracted through a third-party service provider.
- Q23 How much building engineer/technician time is attributed to 390 Main operations?
A23 There is one full time Building Engineer/Manager and a ½ time HVAC technician.
- Q24 Is a building engineer/technician stationed on-site? If so, what is the weekly schedule?
A24 The Building Engineer/Manager is on-site, Monday through Friday, 8 a.m. to 5 p.m., and on call thereafter. The HVAC technician is on-site 4 hours per day, and on call thereafter.
- Q25 Will each agency occupying 390 Main have a separate lease?
A25 Public agencies will ultimately have an ownership interest in 390 Main under separate agreements.
- Q26 Regarding receiving rent and paying expenses, does BAHA envision that Property Manager collecting rent from each agency occupying 390 Main, and attributing expenses under separate leases?
A26 Property manager will collect all lease payments, pay all operating expenses, and attribute expenses to all tenants and agency owners.
- Q27 Does BAHA intend to pursue a LEED certification for 390 Main?
A27 Yes, BAHA intends to pursue a certification equivalent to LEED gold.
- Q28 Has space planning provided space for the onsite building manager and building engineer?
A28 Yes, space will be on 1st floor. The selected Consultant should provide any design requirements for this space.
- Q29 Will BAHA have an internal facility manager on staff? If so, how does BAHA envision that facility manager interacting with Property Manager?
A29 Yes, BAHA will assign staff to be a liaison between the property manager and agency staff.
- Q30 Does BAHA have the necessary funds, or approved budget for the required capital improvements, tenant improvements, leasing commissions, architectural services, etc. required to lease up the vacant floors? If so, what is the current budgeted amount?
A30 Yes, BAHA has an approved renovation budget and expects approval at the December 19, 2012 BAHA Board meeting for budget assignment action.

- Q31 What are BAHA’s primary goals for the vacant floors of 390 Main? To achieve highest possible rents or to achieve occupancy as quickly as possible? Is there a minimum square footage requirement for new tenants?
A31 The leasing agent will assist BAHA in determining the leasing goals for vacant space.
- Q32 Are there any anticipated lease term restrictions for the vacant floors (in order to possibly accommodate future expansion opportunities for BAHA or its agencies)?
A32 BAHA assumes the tenant floors will be available for future growth. The leasing agent will assist BAHA in determining any lease term restrictions.
- Q33 Does BAHA have its own formal proposal format or lease document? If so, can we receive a copy for review?
A33 No, BAHA expects the leasing agent to provide such documentation, which will be reviewed by BAHA’s General Counsel.
- Q34 Can BAHA disclose the details of the BART & ABAG Right of First Refusal (RoFR) for the existing building? Is it a RoFR or a Right of First Offer? Is there any current indication that either group is willing to purchase the property? Is there an estimated value for the asset?
A34 The RoFR has not been exercised by any party. There is not a current estimate value of the asset. The MetroCenter’s Conditions, Covenants and Restrictions (CC&Rs) restrict the rights of Unit Owners (BART, MTC and ABAG) to sell, lease or otherwise transfer their interests in the MetroCenter building. More specifically, each Unit Owner holds non-assignable rights of first refusal upon the proposed assignment, sale or exchange of all ownership interest by a selling or leasing Unit Owner. Furthermore, Unit Owners’ rights are subject to the requirement that such Unit Owner make reasonable attempts to transfer or lease in the following order of priority:
a. Other governmental institutions or entities;
b. Non-profit entities; or
c. Such other leases or transferees as shall have been first approved by the RAFC Board, which approval shall not be unreasonably withheld.
- Q35 Can BAHA describe the definition of ‘cold shell’ for the vacant floors at 390 Main St?
A35 See Attachment 1, Base Building Space.
- Q36 Will Perkins + Will be retained as the landlord’s architect for the interior improvements?
A36 Perkins + Will is currently under contract for the main renovation of 390 Main, including agency interior improvements on agency floors. Leasing agent will assist BAHA in determining best practices for interior improvements.
- Q37 Are there any specific restrictions or qualifications for the proposed tenants at 390 Main under BAHA’s regulations?
A37 BAHA seeks tenants that are compatible with occupancy in a public building. Leasing agent will assist BAHA to determine compatible mix.
- Q38 Please clarify that the audit referred to in Article 15 in the RFQ is restricted to items solely relating to the building (i.e. 390 Main Street, San Francisco).
A38 Yes, the audit would only be relevant to the agreement for this project.

Q39 The nuances of managing a large office building are different among buildings and from city to city, fundamental challenges and opportunities remain constant. Will BAHA consider expanding the criteria to account for some equivalency utilizing these Differentiators in the minimum qualifications for Property Manager? For example:

Direct experience:

- Acting as owner's representative operating and maintaining a commercial/nonresidential building of at least 350,000 square feet or larger in downtown in San Francisco, **OR substantial commercial/nonresidential building(s) in similar urban cores;**
- Maintaining tenant relations in a commercial/non-residential building of at least 350,000 square feet in downtown San Francisco, **OR managing substantial commercial/nonresidential building(s) primarily occupied by public agencies;**
- Transitioning properties from development and/or renovation to stabilized management.

A39 BAHA does not intend to change the minimum requirements.

Attachment 1, Base Building Space

Location	390 Main Street
Base Building Space	<p>BAHA will deliver the tenant office space in cold shell condition as follows:</p> <p>All perimeter walls, columns, ceilings and floors will be exposed concrete. Exterior insulation will not be required for future tenants to install.</p> <p>The main mechanical ducts for supply air and return for the office space will be stubbed out of the shafts with fire dampers for tenant’s variable air volume (VAV) reheat system (matching the base building system); tenants will need to distribute air throughout the floor.</p> <p>There will be heating hot water piping, valved off for tenant extension of tenant’s VAV reheat system, and points of connections for the building controls. Core toilets with domestic hot and cold water will be by BAHA. A valved point of connection will be provided for domestic cold water, but any tenant domestic hot water will be by the tenant. Drainage will be provided for the core toilets. Drainage from any tenant toilet or kitchenette will need to be reviewed by BAHA for each such facility. No natural gas will be provided to tenants.</p> <p>Existing fire sprinklers will remain in place; tenant is responsible for any redesign of sprinkler branches.</p> <p>There will be a local metered power supply for tenant with no generator or UPS power provided. There are no electrical outlets in the tenant space. A data riser on each floor will allow future tenants to access data. There will be no data room on tenant floors. Tenants will need to use BAHA's data room on the second floor or build their own based on their needs.</p> <p>Ground Floor retail tenants would be provided with access to outside air and exhaust points and locations in the Garage areas for air cooled condensers. No heating or chilled water or condenser water is available. Natural gas will be available from the gas meter with independent provision of gas by PG&E. Cold water will be provided with a valved connection. A local metered power supply for tenant will be provided but with no generator or UPS power provided.</p>