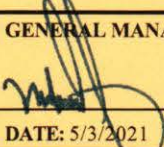
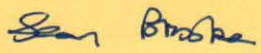
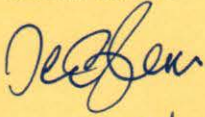
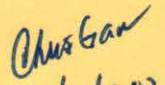





EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:  5/6/2021		GENERAL MANAGER ACTION REQ'D:		
DATE: 5/3/2021		BOARD INITIATED ITEM: No		
Originator/Prepared by: Adrienne Anderson Dept: Real Estate & Prop Development  Signature/Date: 05/05/21	General Counsel  5/6/2021 []	Controller/Treasurer  5/6/2021 []	District Secretary []	BARC  5/6/2021 []

PROPERTY MANAGEMENT SERVICES FOR 2150 WEBSTER STREET ("BHQ")

PURPOSE

To enter into a five-year agreement with two (2) one-year extension options for \$18,200,000.00 with RiverRock Real Estate Group, the selected Property Management firm for BART headquarters (BHQ) at 2150 Webster Street (the Property).

DISCUSSION

Since October 2004, the District's corporate offices have been located at 300 Lakeside Drive, Oakland, CA 94612 (300 Lakeside) in Uptown Oakland. The District currently occupies approximately 360,000 square feet (sf) on 14 floors at this location and finalized the purchase of 2150 Webster St, Oakland, CA 94612 ("Property") in December 2019 for the purposes of relocating its corporate headquarters and transforming its office environment into a modern, workplace of the future which includes efficient space plans and contemporary design features while staying true to its mission to use public funds with prudence. The Property is a 244,287sf facility on 10 floors which has been fitted with new elevators, mechanical systems, generator, and roof systems. Through agreements and contracts: consultants, contractors and suppliers selected have led the efforts to manage, design, construct and fit-out the Property so the District can occupy the Property in mid-2021.

RiverRock Real Estate Group is currently under a month-to-month agreement during the construction period (estimated completion Summer 2021). The District requires a longer term property management firm to enter into a professional services agreement that will provide a consistent property manager who will be responsible for property management and procuring other building and maintenance services, including: building engineering, private security, janitorial, emergency services, repairs, and other maintenance services as needed. The property manager will serve as the major point of contact for all building maintenance related communications.

On March 1, 2021, the District issued Request for Proposals (RFP) No. 6M4736, for Property Management services for 2150 Webster Street to qualified property management applicants registered through BART's Procurement Portal with an intent to award property management services for five (5) years, with two (2) one-year options. The RFP was also advertised on March 1, 2021 through several advertising media outlets and advanced notice was provided to one hundred thirty-nine (139) firms.

Eight potential applicants downloaded the proposal. A pre-proposal meeting and networking session was held virtually on March 8, 2021. A total of ten (10) firms attended the virtual pre-proposal meeting and networking session. On March 23, 2021, the District received a total of three proposals, which are shown below:

Proposers
Avison Young
Clear Blue Commercial
RiverRock Real Estate Group

District staff reviewed all proposals and determined that Clear Blue Commercial did not meet the specified qualifications and Avison Young and RiverRock Real Estate Group proposed exceptions to liability and indemnification provisions that the District initially rejected. District staff conducted negotiations with Avison Young and were unable to reach agreement on the requested exceptions. The District then conducted negotiations with the next responsible proposer, RiverRock Real Estate Group and was able to reach agreement.

RiverRock Real Estate Group was selected as they provided the required experience of managing comparable properties within the District's current headquarters location and met the specified qualifications.

The Agreement will allow for the awarded firm to procure services on the District's behalf under the Property Management firm's scope of services, including: building engineering, janitorial, private security, pest control, fire monitoring, generator and fire pump maintenance, fire alarm inspections, window washing, elevators, HVAC/boiler maintenance, as well as other property management and maintenance services as needed.

Pursuant to the District's Non-Federal Small Business Program, the Office of Civil Rights set a 5% Small Business Prime Preference for this Agreement for Small Businesses certified by the California Department of General Services. RiverRock Real Estate Group is not a certified Small Business and, therefore, is not eligible for the 5% Small Business Prime Preference.

Pursuant to the District's Non-Discrimination Program for Subcontracting, the Availability Percentages for this Agreement are 5.5% for Minority Business Enterprises (MBEs) and 2.8% for Women Business Enterprises (WBEs). RiverRock Real Estate Group will not be subcontracting any portion of the Work and therefore, the provisions of the District's Non-Discrimination Program for Subcontracting do not apply.

FISCAL IMPACT

The \$18,200,000.00 for overall property management services will be funded from the District's general fund and will be included in the annual budget of cost center 2001602 - BART HQ Operating.

Year 1	July 1, 2021 - June 30, 2022
Property Management	\$283,700.00
Other Building & Maintenance Services	\$2,154,001.00

Subtotal	\$2,437,701.00
Year 2	July 1, 2022 - June 30, 2023
Property Management	\$310,608.00
Other Building & Maintenance Services	\$2,193,066.00
Subtotal	\$2,503,674.00
Year 3	July 1, 2023 - June 30, 2024
Property Management	\$321,948.00
Other Building & Maintenance Services	\$2,232,433.00
Subtotal	\$2,554,381.00
Year 4	July 1, 2024 - June 30, 2025
Property Management	\$333,720.00
Other Building & Maintenance Services	\$2,272,107.00
Subtotal	\$2,605,827.00
Year 5	July 1, 2025 - June 30, 2026
Property Management	\$345,960.00
Other Building & Maintenance Services	\$2,300,094.00
Subtotal	\$2,646,054.00
Option Year 1	July 1, 2026 - June 30, 2027
Property Management	\$358,668.00
Other Building & Maintenance Services	\$2,352,402.00
Subtotal	\$2,711,070.00
Option Year 2	July 1, 2027 - June 30, 2028
Property Management	\$371,880.00
Other Building & Maintenance Services	\$2,369,413.00
Subtotal	\$2,741,293.00
Totals	July 1, 2021 - June 30, 2028
Property Management	\$2,326,484.00
Other Building & Maintenance Services	\$15,873,516.00
Total	\$18,200,000.00

The Office of Controller/Treasurer certifies that funds are currently available to meet this obligation. This action is not anticipated to have any Fiscal Impact on unprogrammed District reserves.

ALTERNATIVES

Do not enter into a professional services agreement with a property management firm and provide services in-house, whereby, significantly impacting the current real estate staff which has been reduced by five (5) full-time staff due to early retirement and attrition from the District; or extend the current property management month-to-month contract until a new property management company can be found.

RECOMMENDATION

Adopt the following motion:

MOTION

The General Manager, or their designee, is authorized to execute a professional services agreement with RiverRock Real Estate Group for property management services for District Property consisting of 244,287sf of space and ten (10) floors at 2150 Webster Street for five (5) years with two (2) one-year options, for a total amount of \$2,326,484.00, and allow RiverRock Real Estate Group to administer the overall budget for property management and procure related building services at a cost not to exceed a total of \$18,200,000.00.