INFORMATIONAL MEMORANDUM

TO: Agency Commissioners

FROM: Fred Blackwell, Executive Director

SUBJECT: Intention to Issue a Request for Qualifications for Open Space Management Services for the Mission Bay Open Space System; Mission Bay North and South Redevelopment Areas

PURPOSE OF INFORMATION

To advise the Commission of staff’s intention to issue a Request for Qualifications (“RFQ”) seeking an Open Space Management Contractor (“Contractor”) for the Mission Bay open space system in the Mission Bay North and South Redevelopment Areas. A copy of the RFQ is attached.

Unless the Commission objects, the RFQ will be released on August 24, 2009. Staff anticipates returning to the Commission with a recommended Contractor in November 2009. The existing Open Space Management Contract expires on January 4, 2010.

BACKGROUND

Mission Bay and the Open Space System

The Mission Bay North and South Project Areas will ultimately include 43 acres of public open space built on property owned by the City and the Port, which will be leased to the Redevelopment Agency for operation and maintenance (see Attachment 1 for a map of the Mission Bay open space system). Pursuant to the 1998 Owner Participation Agreements, the Master Developer, FOCIL-MB, LLC, will develop the Mission Bay open space in phases over an estimated 15-20 years, in association with the residential and commercial development.

The Agency is responsible for operating the Mission Bay open space system through 2043. All funding for the open space operations, including any contract for open space system management services, comes from special taxes paid by Mission Bay private property owners, including UCSF, under Mello-Roos Community Facilities District No. 5 (CFD No. 5). Agency affordable housing sites are exempt from this assessment. The Agency annually adjusts the level of special taxes collected from CFD No. 5 to fund the operations of the growing Mission Bay park system.

To date, nine sections of the Mission Bay open space system, totaling approximately 11.15 acres, have been completed and transferred to the Agency for management and operations. These
parcels include the completed portions of Mission Creek Park (Park Parcels P1 and NP1-NP5), including the recently opened Mission Creek Sports Courts. In addition, three parks along Terry François Boulevard (Park Parcels P17, P18 and P21) are also the responsibility of the Agency.

Future open space development will include completion of the east-west “Commons”, a major park along the Bay, a large children’s park, and the recently-approved Mariposa Park near the planned UCSF hospital.

**Current Open Space System Management**

On November 18, 2003, the Redevelopment Commission approved a Personal Services Contract with MJM Management Group ("MJM") (which operated under the name of KTB Management Group at that time) to provide overall management of the Mission Bay open space system. The Contract was awarded through an RFQ process that included extensive outreach.

Under their existing Contract, MJM is currently providing services for the completed parks discussed above. Consistent with the term of the Contact, as new parks were completed in Mission Bay they were added to MJM’s scope of work for operations and maintenance.

MJM’s Contract had an initial term of three years, with an option for the Executive Director to renew the Contract for an additional three years. Since MJM was performing well and meeting the requirements of the Contract, including the Agency’s policies regarding contract compliance, the Agency exercised this option and the Contract was extended for an additional three years. MJM’s Contract will expire on January 4, 2010.

**DISCUSSION**

**The Proposed RFQ**

The RFQ for Open Space Management Services seeks statements of qualifications from experienced professional property management firms, together with appropriate subcontractors, to provide property management, landscape maintenance, janitorial, general maintenance, security, and other services related to the operations of the Mission Bay open space system. Like the current Contract, the new personal services contract will be structured so that additional open space parcels can be added to the management system as they are completed.

Contracted services would be reimbursed at cost, together with a fixed management fee. Since the management and operations of the Mission Bay open space system is funded by CFD#5, the Agency will not be required to expend any additional funds for the Contract.

Contracting teams responding to the RFQ must reflect a commitment and ability to successfully adhere to Agency policies regarding Small Business Enterprises, nondiscrimination in contracts and benefits, minimum compensation, and health care accountability.
The Agency plans to issue the RFQ on August 24, 2009, with a submittal due date of September 25, 2009. The RFQ will be advertised on the Agency’s website, the City’s “Bids and Contracts” weekly newsletter and website, and local publications reaching San Francisco’s many diverse populations. Additionally, RFQ announcements will be mailed to property management firms registered as Small Business Enterprises with both the Agency and the City. Staff will review the RFQ responses and anticipates recommending a contracting team and new Personal Services Contract to the Commission in November, well before the end of the term of the current contract.

Proposed Personal Services Contract Term

The Agency’s Purchasing Policy states “on-going services or multi-year contracts shall not normally exceed a three-year period without the purchasing process occurring again.” However, in similarly complex, multi-faceted open space management efforts, contract terms longer than three years are customary. Frequent management turnover can be detrimental to the operations of complex sites because of problematic transitions and steep learning curves. In addition, the open space manager plays a key role with creating relationships with the community as the “face” of the Mission Bay open space system, which take continuous and consistent public contact over an extended period of time. As noted, the prior Agency Personal Services Contract for the Mission Bay open space system was extended to the full term of six years.

Therefore, consistent with prior practice and based on the complexity of the Mission Bay open space system’s overall management, the scope and magnitude of the project, and the benefits of consistent, high quality operations, staff recommends that the Personal Services Contract term with the selected contractor be for an initial term of three years, with an Agency option to extend the contract for an additional three-year term, for a total contract term not to exceed six years.

(Originated by Catherine Reilly, Assistant Project Manager)

Fred Blackwell
Executive Director

Attachment:

1. Mission Bay Open Space System Map
2. Request for Qualifications: Mission Bay Open Space Management Services