



126-0032022-002

Agenda Item **No. 5(e)**
Meeting of April 19, 2022

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: James B. Morales, Interim Executive Director

SUBJECT: Authorizing a Personal Services Contract with Parklab Open Space Management, a California Limited Liability Company, for property management and maintenance of the Hunters Point Shipyard Phase 1 Community Facilities for an initial term of three years and three months with a one year option to extend; authorizing, for the initial term and subject to appropriation, a maximum contract amount not to exceed \$3,194,760, including a maximum contract management fee not to exceed \$108,841; Hunters Point Shipyard Redevelopment Project Area

EXECUTIVE SUMMARY

Under the Disposition and Development Agreement – Hunters Point Shipyard Phase 1 ("DDA") between the Office of Community Investment and Infrastructure ("OCII") and HPS Development Co., L.P. ("Master Developer"), OCII owns certain Agency Parcels¹ within Phase 1, intended for use as a series of parks, open spaces and other community facilities. Also under the DDA, the Master Developer is obligated to construct said parks, open spaces and community facilities as well as streetscape improvements to be located on public right of ways within the Phase 1 Project Site (these parks, open spaces, community facilities and streetscapes collectively, the "Facilities"). Refer to Attachment 1 for a map of the Facilities. Once completed and accepted by OCII (or the City in the case of streetscape improvements), the Facilities are to be maintained by OCII in accordance with the DDA with funds generated by Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 8 (Hunters Point Shipyard Phase 1 Maintenance) ("CFD 8"), a community facilities district established pursuant to the Mello-Roos Community Facilities Act of 1982 (Cal. Government Code Sec. 53331 et seq.) by the Former San Francisco Redevelopment Agency ("Former Agency") Commission on September 2, 2008 (Resolution No. 94-2008) to fund maintenance of the Facilities.

London N. Breed
MAYOR

James B. Morales
INTERIM
EXECUTIVE DIRECTOR

Miguel Bustos
CHAIR

Mara Rosales
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COMMISSIONERS

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¹ All capitalized terms have the definition established in the DDA unless otherwise noted.

The Master Developer has completed, and OCII is preparing to accept, several Facilities within Phase 1. Thus, Staff now request authorization for the Executive Director to enter into a personal services contract with Parklab Open Space Management, a California limited liability company ("POSM") for maintenance and management of the Facilities. As discussed in detail below, POSM has assembled a well-qualified team that meets OCII's Small Business Enterprise ("SBE") contracting goals, and has met all qualifications specified in the request for proposals issued and reviewed in accordance with OCII's Purchasing Policy.

Staff recommend that the Commission authorize the Executive Director to enter into a personal services contract with POSM for the maintenance and management of the Facilities at Shipyard Phase 1.

BACKGROUND

In December 2003, the former San Francisco Redevelopment Agency ("Former Agency") and LENNAR/BVHP, LLC (predecessor-in-interest to the Master Developer) entered into the DDA, establishing a framework for redevelopment of Phase 1 within the Hunters Point Shipyard Redevelopment Project Area ("Project Area"). As required by the DDA, the Master Developer has constructed and continues to construct parks, open space, streetscapes and related community facilities in Shipyard Phase 1.

In September 2008, the Former Agency Commission adopted Resolution No. 94-2008 forming CFD No. 8 to fund the maintenance of community facilities within Shipyard Phase 1. According to the Former Agency Resolution Exhibit A: Description of Services to be Financed by the CFD, funds generated by the levy of the special taxes will be used to pay for the operations and maintenance of the parks, pocket parks, open space and streetscape elements (and related services) that are: (a) located within the boundaries of [Shipyard Phase 1]; and (b) generally depicted: (i) in the Hunters Point Shipyard Parcel A Phase 1 Open Space Master Plan dated September 4, 2007 ("Open Space Design"), which was approved by the San Francisco Redevelopment Agency Commission by Resolution 06-2007, dated January 16, 2007, as such Open Space Design may be amended from time to time; and (ii) on the Open Space Infrastructure Exhibit, as such Exhibit may be amended from time to time. Resolution No. 94-2008 also establishes a non-exclusive list of Facilities to be maintained by CFD funds.

On February 1, 2012, the State of California dissolved all redevelopment agencies, including the Former Agency, by operation of law pursuant to California Health and Safety Code Sections 34170 et seq. ("Redevelopment Dissolution Law"). Under the authority of the Redevelopment Dissolution Law and under San Francisco Ordinance No. 215-12 (Oct. 4, 2012) (establishing the Successor Agency Commission ("Commission") and delegating to it state authority under the Redevelopment Dissolution Law), the Successor Agency OCII is administering the enforceable obligations of the Former Agency in the Project Area, including the DDA, as well as oversight and administration of CFD 8.

As the successor agency to the Former Agency, OCII owns the Agency Parcels on which the Facilities have been constructed or are being constructed,² and the Master Developer leases and maintains these

² With the exception of the streetscape improvements, which are parcels owned by the Master Developer and to be dedicated to the City as public right of ways.

Agency Parcels under the Interim Lease pending the Master Developer's completion of construction of each Facility. Under the DDA Section 4.4(a), once the Master Developer completes a Facility, the Master Developer may request that OCII issue a Certificate of Completion ("COC"), which is a determination that the Master Developer has completed Construction of the specified Facility in accordance with the requirements of the DDA. Once OCII issues a COC for a particular Facility and has engaged a property management and maintenance entity for the Facility in question, the Interim Lease is terminated as to the particular Facility, and OCII assumes ownership responsibility of the Facility.

In 2010, the Former Agency Commission authorized construction of a "Community Facilities Demonstration Project...[that] will serve as a community-based public space, and will support a range of additional uses, including arts and arts education, job training facilities, recreation, and open-space type uses."³ This building, known as the "Site Office Building," was funded primarily through a grant from the U.S. Department of Commerce, Economic Development Administration ("EDA"), was completed in 2014, and the Master Developer or its designee has managed and maintained the Site Office Building under the Interim Lease pending OCII's engagement of a property management and maintenance entity. The Site Office Building hosts meetings of the Mayor's Hunters Point Shipyard Citizens Advisory Committee ("CAC") and workforce trainings and workshops, and in the past has contained a small retail shop – "The Storehouse" – serving the Shipyard community.

In June 2021, OCII received a complete request from the Master Developer for Certificate of Completion of Pocket Parks 15 and 16, and OCII issued a COC for Pocket Parks 15-16 on December 12, 2021. In November 2021, OCII received a complete request from the Master Developer for Certificate of Completion of Pocket Parks 9 through 14, respectively, which is likely to be issued on or about the date of this Memorandum. Lastly, according to the Master Developer, it intends to request a Certificate of Completion for the Galvez Overlook/Coleman Promenade prior to June 30, 2022.

Thus, because several of the Facilities within Shipyard Phase 1 have been or shortly will be Completed as described above, OCII prepared and issued a Request for Proposals for property management and maintenance to manage the forthcoming Facilities within Shipyard Phase 1.

DISCUSSION

Request for Proposals and Selection of Contractor

On June 2, 2021, OCII issued the RFP for property management and maintenance of the Hunters Point Shipyard Phase 1 Public Facilities. The RFP outreach consisted of direct emails to over 32 SBE landscaping, janitorial and property management firms, many of which are SBEs based in Bayview. Advertisements of the RFP were also published via web postings in the SF Bayview, Small Business Exchange, City Partner website and OCII's website. The initial deadline for submission of proposals was July 2, 2021. The deadline was extended to July 16, 2021. Four proposers submitted proposals.

³ Former Agency Resolution 35-2010 (April 6, 2010).

The evaluation, interview and selection of a contractor was conducted carefully and diligently. The Evaluation and Selection Committee (“Selection Committee”) was comprised of two members of the CAC, a Master Developer representative and an OCII staff member. The Selection Committee shortlisted three firms—MJF & Associates (“MJF”), POSM and Your All Day Everyday Janitorial Service (“YADEJS”)—for interviews. After the interviews and deliberation, the Selection Committee narrowed the selection to MJF and POSM but determined that additional information was needed from each of these two proposers in order to properly evaluate and score their proposals. On September 8, 2021, after evaluating the proposals and additional information, the Selection Committee scored MJF highest, and OCII staff began contract negotiations with MJF. On October 7, 2021, MJF’s principal notified OCII staff that for personal reasons, he decided not to continue with the negotiations process and on October 12, 2021, made the final decision and officially withdrew from the process.

The June 2021 RFP was the most recent of three separate RFPs issued for Facilities management services. The previous two RFPs failed to identify a responsive applicant meeting OCII’s contracting and workforce policies. Given this previous background, staff determined that we were unlikely to identify additional potential respondents other than those identified by the June 2021 RFP. Furthermore, POSM, the second-highest scoring RFP respondent, scored well and met all qualifications specified in the June 2021 RFP. Thus, given the imminent Completion of several Facilities, OCII staff, in consultation with the Selection Committee, determined to proceed with POSM as the second-highest scoring RFP respondent.

On November 5, 2021, OCII notified POSM of the withdrawal by the other proposer and inquired as to whether it was interested in negotiating a contract. POSM affirmed its interest and contract negotiations began shortly thereafter.

POSM’s Principal Cathy Hickey has 18 years’ experience in community and economic development and public space management. For the last six years she has served as the General Manager of the Mission Bay Parks. POSM’s team includes Robert W. Poyas DBA RWP Landscaping Inc, which has 30 years’ experience in park landscaping, and Aim to Please Janitorial Service, which has 24 years providing janitorial services. All three firms are San Francisco-based Small Business Enterprises and Aim to Please Janitorial Services is located in the Bayview.

Hunters Point Shipyard Phase 1 Public Facilities Management and Maintenance Contract

OCII staff has negotiated the Contract with POSM for HPS Phase 1 Public Facilities management and maintenance. The major terms of the proposed Contract are outlined as follows:

Term

The Contract will have an initial term of three years and three months (the remainder of FY 2021-22 through the end of FY 2024-25), with an option for the Executive Director to renew the Contract for an additional one fiscal year. The initial term will begin on the Contract execution date and terminate on June 30, 2025.

Scope of Services

The Contract includes a detailed Scope of Services for all aspects of the management and maintenance of the Facilities. The Scope of Services specifies tasks to be completed by POSM and its subcontractors and the frequency with which the tasks are to be performed. The Scope of Services work includes:

- (I) Facilities Management and Administration: Oversight of all of the Facilities' operations including tasks such as coordinating and supervising subcontractors and all landscaping, janitorial and maintenance services; providing an on-site property manager and engineer; inspecting and maintaining all mechanical and constructed systems; issuing permits for use of Facilities; maintaining financial accounts; preparing reports and annual budgets; acting as OCII's liaison with the public; and resolving day-to-day issues as they arise.
- (II) Landscape, Streetscape and Open Space Management: Maintenance of all landscaped and planted areas in a healthy, attractive, usable and safe condition, including lawns and ground covers, trees, shrubs, plantings; provision of services at the frequencies indicated in the frequency schedules; maintenance of the irrigation system; adherence to the City's Integrated Pest Management Program; maintenance of the paved surfaces, slope drainage infrastructure, site furnishings, playgrounds, works of public art, signage, and lighting fixtures; and implement stormwater Best Management Practices.
- (III) Janitorial Services: Trash removal, sweeping, blowing, graffiti abatement and general maintenance services for all hardscape and constructed areas, including pathways, and all site furnishings, as well as other park structures, and maintenance of the Site Office Building.
- (IV) Major Facilities Repair: Notification to OCII of any necessary major repairs, replacements or maintenance that cannot be resolved in the course of regular maintenance procedures and undertake as necessary.
- (V) As Needed Services: At the request of OCII, attendance at CAC and Commission meetings; provision of any tasks as requested by OCII and pursuant to the process for scope modifications and budget amendments under the Contract.

As described above, the Facilities are being constructed over time and only the first several Facilities are completed and ready for acceptance by OCII at this time. Thus, the first Facilities to be managed by POSM in accordance with this Scope of Service are Pocket Parks 9 through 16, the Site Office Building,⁴ and Galvez Overlook/Coleman Promenade (which, according to the Master Developer, will be completed prior to June 30, 2022).

Budget

CFD No. 8 revenue will fund the maintenance and capital repairs/replacements of the Facilities under the Contract, and no other funding sources will be used. Per Former Agency Resolution No. 94-2008 establishing CFD 8, CFD 8 funds are to be used to pay for the operations and maintenance of the parks, pocket parks, open space and streetscape elements (and related services) that are located within the

⁴ Excluding The Storehouse, which will remain within the Interim Lease and continue to be operated and maintained by the CP/HPS2 Developer.

boundaries of Shipyard Phase 1 and generally depicted in the "Hunters Point Shipyard Parcel A Phase 1 Open Space Master Plan" dated September 4, 2007. All the Facilities to be maintained under the Contract are within the boundaries of Shipyard Phase 1 and are generally identified in the referenced Open Space Master Plan. To the extent that certain Facilities are proposed to be temporarily used for uses other than community uses, for example an hourly rental use of the Site Office Building's community space, the Contractor will establish a fees schedule for such uses that ensure the CFD is not charged for the maintenance costs of such activities.

The Contract is structured on a reimbursement basis, with OCII reimbursing the operating costs of managing the Facilities and capital and utility expenditures based on receipts and invoices provided by the Contractor. For budgeting purposes, the following table specifies the estimated maximum annual contract amount for each fiscal year of the initial term, which consists of the sum of the estimated maximum operating expenses, management fees, and estimated maximum capital expenses for each fiscal year. The FY 2021-22 budget assumes costs for managing Pocket Parks 9 through 16, the Site Office Building, and Galvez Overlook/Coleman Promenade. If Galvez Overlook/Coleman Promenade is not accepted by OCII prior to June 30, 2022, no costs would be incurred (or payable) for this Facility in FY 2021-22. Hillpoint Park, Hilltop Open Space and the streetscapes are projected to be completed and come under Contract in FY 2022-23, and Innes Court Park in FY 2023-24, but could be completed sooner.

Thus, beginning in FY 2022-23, estimated maximum annual contract amounts are conservative estimates that assume all Facilities projected for completion and acceptance will have been included under the Contract. The actual expenditures during a Contract year may be less than the maximum amounts if a particular Facility is not accepted in that fiscal year.

Year	Maximum Operating Expenses	Maximum Management Fee	Maximum Capital Expenses	Maximum Annual Contract Amount
FY 2021-22	\$113,560	\$4,903	\$36,000	\$154,463
FY 2022-23	\$743,628	\$33,627	\$385,000	\$1,162,255
FY 2023-24	\$781,482	\$34,636	\$100,000	\$916,118
FY 2024-25	\$821,249	\$35,675	\$105,000	\$961,924
TOTAL	\$2,459,919	\$108,841	\$626,000	\$3,194,760

The Commission will approve the budget for the remaining months of FY 2021-22 and the annual budget for FY 2022-23 together with authorization to enter into this Contract. For subsequent budget years, the Executive Director will review and finalize annual budgets that are generally consistent with the maximum annual contract amounts set forth above and do not exceed the amount available in CFD No. 8, and will present each annual budget for Commission approval as part of the annual CFD Budget approval process.

Management Fee

In addition to the reimbursable maintenance and operations expenses, OCII and the Contractor have negotiated a monthly management fee payable to the Contractor for providing the services under the Contract. This is paid on a per-Facility basis for each Facility then under management by the Contractor. The negotiated management fee represents approximately 7% of each Facility's operating cost (exclusive of insurance, utilities, and contingency) as follows:

Monthly Management Fees FY 2021-22 and FY 2022-23		
Site Office Building	\$	361.83
Hillpoint Park	\$	782.00
Hilltop Open Space	\$	196.42
Innes Court	\$	385.67
Galvez/Coleman	\$	61.08
Streetscapes	\$	418.25
Pocket Parks 9-16	\$	597.00

Beginning in FY 2023-24 and annually thereafter, the monthly management fee will be set as part of the annual budget approval, based on an increase of the above-listed fee by the lesser of (i) the percentage increase, if any, in the Consumer Price Index (San Francisco-Oakland-San Jose, all urban consumers) ("CPI") since the prior July 1, and (ii) three percent (3%). Pursuant to the foregoing calculation, the total maximum management fee payable under this Contract during the Initial Contract Term is not to exceed \$108,841. The actual management fee payable may be less, for example, if the actual schedule for the phase-in of the Facilities is different than the expected schedule and/or the CPI is less than 3%.

Insurance Requirements

The Contractor will maintain the minimum limits of general liability, automobile liability and workers' compensation insurance specified in the Contract. The Contract allows for limited retroactive reimbursement for insurance costs incurred by the Contractor prior to the Contract Effective Date (from March 18, 2022 through the Effective Date) in order to obtain proof of insurance.

CITIZENS ADVISORY COMMITTEE

On March 10, 2022, the CAC's Business & Employment Subcommittee reviewed and recommended the Contract to the full CAC, which in turn considered and recommended the Contract for Commission approval at its meeting on March 28, 2022.

SMALL BUSINESS ENTERPRISE PROGRAM COMPLIANCE

Contracting teams must reflect a commitment and ability to successfully adhere to OCII policies regarding Small Business Enterprises, nondiscrimination in contracts and benefits, minimum compensation and prevailing wage labor standards, and health care accountability. POSM, as the selected contractor, has performed sufficient good faith efforts to include SBEs in the performance of the Contract. POSM and its SBE subcontractors, Robert W. Poyas DBA RWP Landscaping Inc. and Aim to Please Janitorial Services, will be in compliance with all of OCII's purchasing and contracting policies, including policies on non-discrimination in benefits, minimum compensation, healthcare accountability and prevailing wages.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

Approval of the Contract with POSM is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15301 and 15304 because it authorizes the operation, repair, maintenance or minor alteration of existing community facilities or topographical features with negligible or no expansion of existing uses and minor alterations to land.

STAFF RECOMMENDATION

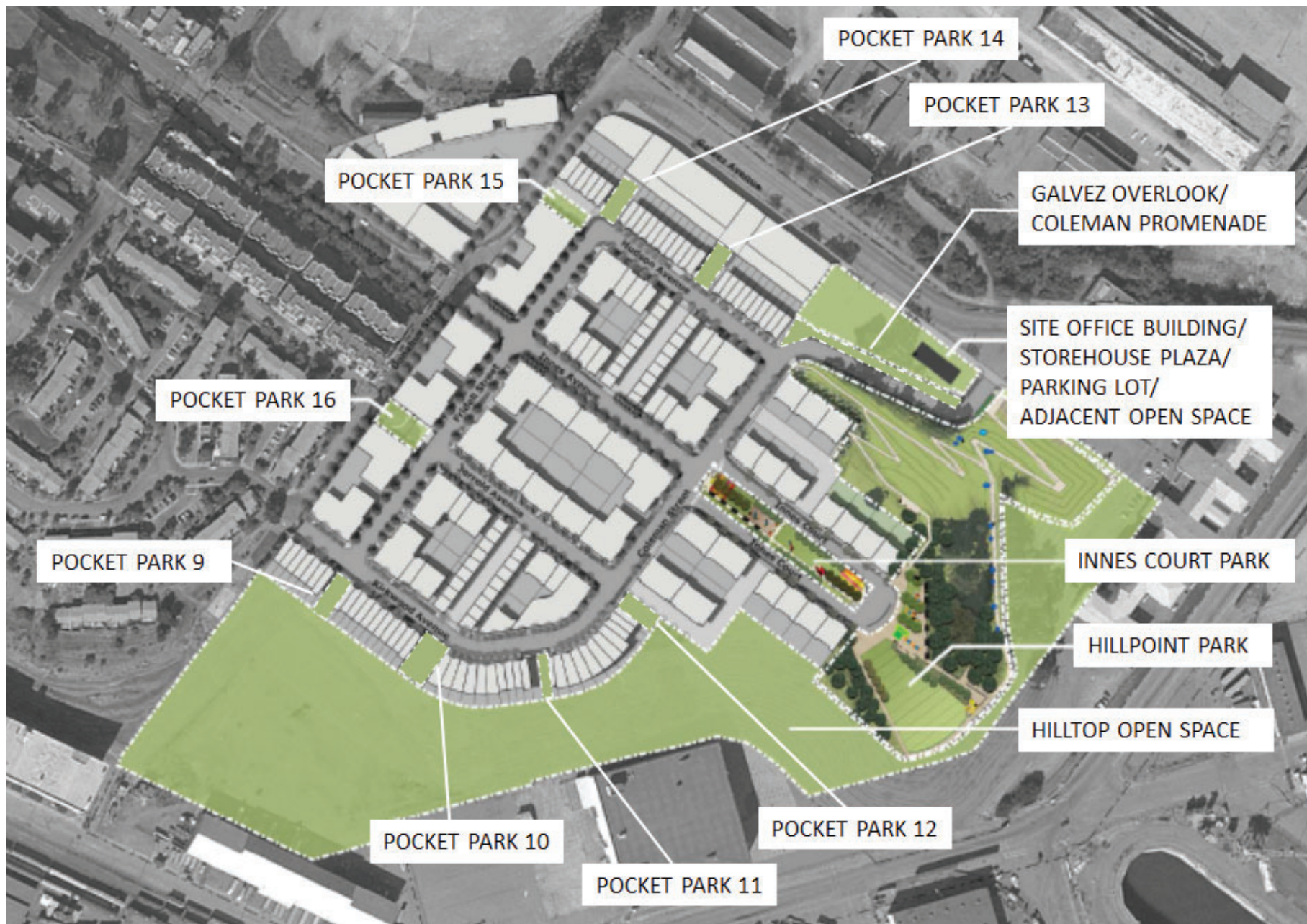
Staff recommends the Commission approve and authorize the Executive Director to execute a Personal Services Contract with POSM, a California limited liability company, for property management and maintenance services for the Facilities located in the Hilltop area of the Hunter Point Shipyard Project Area for an initial term of three full fiscal years plus three months with one option to extend the Contract for an additional fiscal year.

(Originated by Lila Hussain, Senior Project Manager and Marie Munson, Senior Development Specialist)

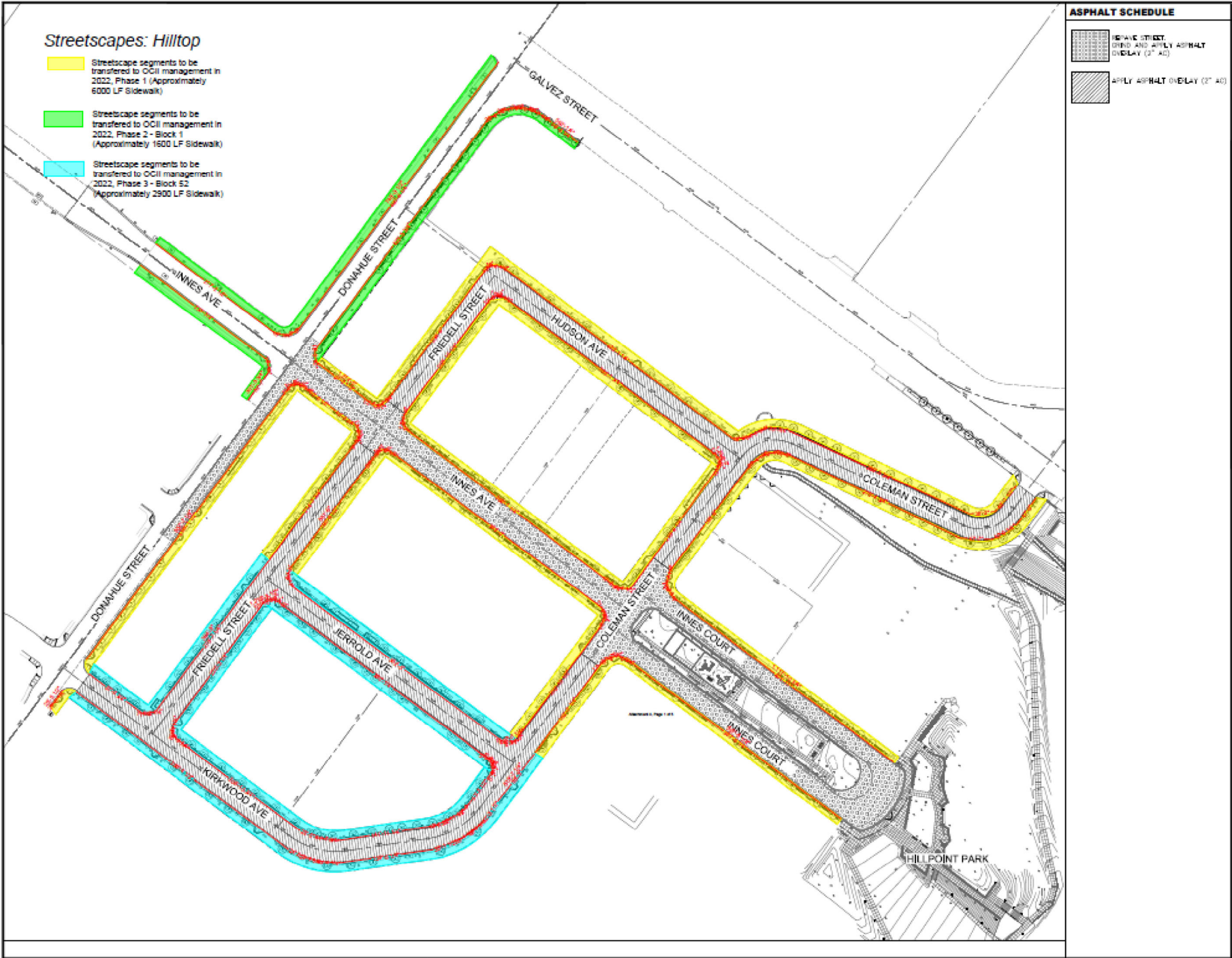
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James B. Morales
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James B. Morales
Interim Executive Director

Attachment 1: Facilities Map



Attachment A: Facilities Maps
Streetscapes Map



CMG

City of San Francisco

HPS Development Co.
One Sansome Street, Suite 2000
San Francisco, CA 94104

**HUNTERS POINT
STREETSCAPE**

COMPREHENSIVE HILLTOP IS (#41)

No.	Issue	Date
1	PERMIT SET 18.12	SEP 16, 2014
2	PERMIT SET 18.12	JULY 14, 2018
3	PERMIT SET 18.12	SEPT 21, 2018
4		
5		
6		
7		

No.	Revision	Date
1	COMPREHENSIVE HILLTOP IS (#41)	SEPT 21, 2018
2		
3		
4		
5		

Description:

PERMIT SET

Job No: LEN 1201

Date: SEPT 21, 2018

Scale: 1" = 50.0'

Sheet Title:

**ASPHALT OVERLAY
PLAN**

Sheet No:

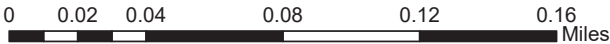
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**Subdrains and Retaining Walls -
Approximate Locations**
Hunters Point Phase 1 - Hilltop

DRAFT 1/15/2021
Now includes updates with Retaining Walls, V Ditches, and
Additional Storm Drain Network in Open Space

**Attachment 1: Facilities Map
Subdrains and Retaining Walls Map**



Legend

HPS1 Active Lots

Map Number

- 10058
- 4231
- 5255
- 8573

CFD 7 & 8 Boundary

CFD 7 & 8 Boundary

SIP Storm Drain

SIP Storm Drain

Subdrain & Retaining Wall
(Approximate Location)

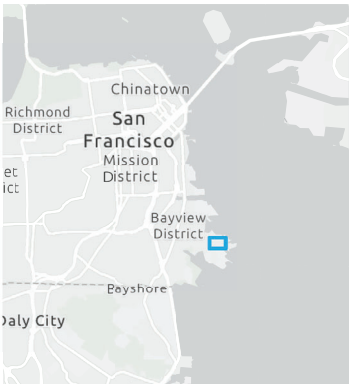
Type

- Concrete Lined Ditch
- V Ditch
- Retaining Wall
- Subdrain
- OCII Storm Drain
- Wall Subdrain

Notes

Map Shows Overlay of Subdrain Data
(Approximate Locations, Retaining Walls and
Drainage Ditches (Approximate Locations)
and Final Map Geometry.

Location



Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USDA, Source: Esri, DigitalGlobe, GeoEye, Earthstar
Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community; ENGEO "Hilltop / Hillside Subdrain Exhibit" (Exhibit C of
DOC-2009-I815408-00), ENGEO "Grading and Retaining Walls" As Built Files, CCSF Open Data Portal,

Boundaries are schematic and are not
intended to be used for engineering or
surveying purposes.

Date Saved: 1/15/2021 11:00 AM

Attachment 1: Facilities Maps

Public Artwork Map

