

RESOLUTION NO. 72-2009

Adopted June 16, 2009

AUTHORIZING A PERSONAL SERVICES CONTRACT WITH MJM MANAGEMENT GROUP, A CALIFORNIA CORPORATION, FOR PROPERTY MANAGEMENT OF YERBA BUENA GARDENS FOR AN INITIAL TERM OF 36 MONTHS, FOR A MONTHLY MANAGEMENT FEE OF \$10,143, WITH AN AGENCY OPTION TO EXTEND THE CONTRACT FOR ONE ADDITIONAL 36-MONTH PERIOD, WITH A 3% INCREASE IN THE MONTHLY MANAGEMENT FEE, FOR A TOTAL AGGREGATE AMOUNT OF \$741,252 SUBJECT TO APPROPRIATION OF FUNDS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco ("Agency") owns and operates Yerba Buena Gardens ("Gardens"), located within the Central Three Blocks of the Yerba Buena Center Approved Redevelopment Project Area.
2. The Agency has made a substantial investment of public funds in the creation of the Gardens, which include cafes, fountains, performance venues, children's play areas, artwork, and many other attractions. Property management at the Gardens presents a unique set of complexities that requires significant experience and expertise.
3. The current property management contract for the Gardens expires on June 30, 2009.
4. On March 9, 2009, the Agency issued a Request for Qualifications ("RFQ") for Property Management Services for the Gardens. The RFQ sought experienced professional property management firms to apply for a contract with the Agency for an initial term of three years with an Agency option to extend the contract for two additional three-year periods. The Agency received one complete and responsive statement of qualifications from MJM Management Group ("MJM").
5. Staff has prepared a Personal Services Contract ("Contract") with MJM and is requesting Agency Commission approval of the Contract with MJM ("Contractor") for property management services for the Gardens. Pursuant to the Contract, MJM will provide full-time, on-site property management, events coordination, administrative support, capital repairs and landscape, janitorial and general maintenance, as well as security services and coordination of management services with adjacent users.
6. The initial term of the Contract is 36 months, with a monthly management fee of \$10,143.
7. The Agency's Purchasing Policy and Procedures ("Purchasing Policy") states "on-going services or multi-year contracts shall not normally exceed a three-year

period without the purchasing process occurring again.” In unusual circumstances, the Agency may, however, enter into longer term contracts because of compelling reasons justifying the term.

8. The Gardens’ overall management is complex and important to protecting the Agency’s considerable investment of public funds, maintaining high quality operations, and promoting economic benefits to the area. Accordingly, Agency staff proposes that the Executive Director may exercise an Agency option to extend the Contract for one additional 36-month period, with a 3% increase in the monthly management fee, subject to appropriation of funds; provided, however, that the Contractor is not in default of the Contract and has performed its duties to the Executive Director’s satisfaction.
9. The Contractor is authorized to enter into contracts to obtain the services and materials incident to carrying out its responsibilities set forth in the Contract, subject to the Contractor’s compliance with the Agency’s Purchasing Policy requirements. All such contracts shall be consistent with the annual Gardens’ budget approved by the Agency’s Executive Director.
10. The Agency’s Executive Director is authorized to approve the Gardens’ annual budget each year, subject to approval of the Agency’s annual budget by the Agency Commission and the Board of Supervisors of the City and County of San Francisco.
11. The provision of steam cleaning, power washing, tree maintenance, litter and graffiti control, and related services for the Gardens would have no resultant significant impacts on the physical environment, and are activities that are exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Sections 15301(h) and 15061(b)(3).

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a Personal Services Contract with MJM Management Group, a California corporation, for property management services for the Yerba Buena Gardens for an initial term of 36 months, for a monthly management fee of \$10,143, with an Agency option to extend the Contract for one additional 36-month period or shorter periods as the Agency may deem appropriate, with a 3% increase in the monthly management fee, beginning in the 37th month of the Contract if it is extended, for a total aggregate amount of \$741,252, subject to appropriation of funds, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel