MEMORANDUM

TO: Agency Commissioners
FROM: Tiffany Bohee, Executive Director
SUBJECT: Authorizing a First Amendment to the Personal Services Contract with MJM Management Group, a California Corporation, as the property manager of the Mission Bay Open Space System, to include Open Space Parcel P10 and increase the contract’s management fee by $19,232 for a total aggregate management fee not to exceed $636,594; Mission Bay North and South Redevelopment Project Areas.

EXECUTIVE SUMMARY

Under the Mission Bay North and South entitlements, the Agency is legally obligated for managing 43 acres of Mission Bay public open space being developed by FOCIL-MB, LLC on parcels owned by the City and leased to the Agency. Funding for the Agency’s management of the open space comes from Mission Bay property owners through a Mello-Roos Community Facilities District. Open Space Parcel P10 ("Park P10") is nearing completion and must be added to the Agency’s Personal Services Contract ("Contract") with MJM Management Group ("MJM"). Park P10 is a small, 0.85-acre open space parcel located at the western gateway to Mission Bay along Mission Bay Drive.

MJM is in under contract with the Agency until the end of 2012 to provide operations and maintenance of the completed Mission Bay open space parcels, with an option for a three year extension. The existing Contract with MJM recognizes that as new parks are completed, the Contract will be amended to include them in MJM’s scope of work. Staff has prepared an amendment to the Contract ("Contract Amendment") that incorporates Park P10 into the scope of work and increases by $19,232 the maximum management fee that MJM can charge.

Staff recommends approval of the Contract Amendment.

DISCUSSION

Mission Bay Open Space System and Park P10

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 for location of the proposed open space facilities). Pursuant to the 1998 Owner Participation Agreements, 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 legally obligated for operating the Mission Bay open space system through 2043. All funding for the open space operations, including MJM’s Contract, 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.

Ten sections of the Mission Bay open space system have been completed and transferred to the Agency for management and operations. These parcels include the completed portions of Mission Creek Park, including the sports courts (Parks P1 and NP1-NP5). In addition, two parks along Terry François Boulevard (Parks P18 and P21) and the first two segments of the Mission Bay Commons Park (Parks P16 and P17), are the responsibility of the Agency.

One additional Open Space parcel along Mission Bay Drive, Park P10, is now in the final stage of construction and is anticipated to be fully completed in January 2012, with Agency maintenance responsibilities starting in February 2012. It is being developed in accordance with the Schematic Design for Park P10 approved by the Commission on November 18, 2008. (Res. No. 134-2008) Attachment 2 depicts the approved schematic design for Park P10.

Park P10 is approximately 0.85 acres in size. It is a small park located at the western gateway to Mission Bay along Mission Bay Drive. Park P10 contains primarily low maintenance and drought tolerant plants, and is comprised mainly of landscaped medians and a roundabout that help define the entrance to Mission Bay.

**MJM Management Group Contract**

On December 1, 2009, the Redevelopment Commission approved a Personal Services Contract with MJM to provide overall management of the Mission Bay parks (Resolution No. 146-2009). Under their existing Contract, MJM is currently providing services for Parks P1, NP1 to NP5, P16, P17, P18 and P21. Their Contract will also include the maintenance of Parks P23 and P24, located along Terry Francois Boulevard, once they are constructed and transferred to the Agency’s responsibility, which is anticipated to occur in 2014. 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. The initial three year term of the contract will end on December 31, 2012. To date, MJM has performed well and is meeting the requirements of the Contract, including the Agency’s policies regarding contract compliance. The Mission Bay Citizens Advisory Committee and general community have expressed strong support of MJM’s work in the parks.

As described above, the open space parcels are being developed over time, but are all part of a single open space system, which can be best and most efficiently managed through a single management contract. The intention of the existing MJM Contract is to add all Mission Bay park parcels into the Contract as they are constructed. Section 1.B of the Contract specifically provides for the amendment of the Contract by Commission action to allow for the phasing in of additional parcels as they are completed.
The following describes the components of the proposed Contract Amendment, which will amend the scope of work and the maximum allowable management fee to include Park P10. The Contract Amendment does not change the term of the existing Contract.

Amendment to the Scope of Work

The existing Contract with MJM includes a detailed scope of services for all aspects of the open space management system. The scope describes the responsibilities of MJM and each of the subcontractors, and includes specifications on the number of work hours to be committed by each firm and the frequency with which tasks are to be performed. The scope of work has been amended to include the maintenance of Park P10 at the same level as the other parks in the Mission Bay system. The scope of work for Park P10 and all Mission Bay parks includes:

1. **Management and General Operations:** Oversight of Mission Bay park operations, including tasks such as coordinating and supervising all landscaping, janitorial, maintenance, and security services through subcontractors; providing an on-site property manager and engineer; maintenance of all mechanical and constructed systems; coordinating and promoting special events; issuing permits for use of facilities; maintaining financial accounts; preparing annual budgets; and resolving day-to-day problems as they arise.

2. **Landscape Maintenance:** Maintenance of all landscaped and planted areas in a healthy, attractive, and safe condition, including lawn areas, trees, shrubs, plantings, and ground cover.

3. **Janitorial:** Daily trash removal, sweeping, and janitorial services, as well as graffiti abatement and general maintenance services for all hardscape and constructed areas, including pathways, and all site furnishings, as well as of park structures.

4. **Security:** 24-hour-a-day park security by uniformed security guards. Additional security will be provided as needed for special events.

Amendment to the Management Fee Provision

A budget identifying the maximum amount that MJM can spend each year for regular operating costs is approved on an annual basis by the Executive Director pursuant to the Contract. In addition, the current Contract identifies a maximum management fee of $617,362 for which MJM may be reimbursed over the six years of the Contract to provide the company income for managing the Mission Bay Open Space System. The management fee is in addition to the budget allocated to MJM for regular operating costs, such as utilities, subcontractors, and materials. This management fee is based on a set dollar amount identified for each park parcel. The Contract specifies that MJM can only bill for its management fee for parcels that are under its management at any time.

The current Contract does not include a management fee for P10. This Contract Amendment allows MJM to charge an additional $400 monthly management fee for P10 for the last 11 months of the initial contract term, and $412 per month for the second three year term if the contract is extended at the end of 2012, not to exceed a total of $19,232 for this parcel. This
results in an aggregate maximum management fee of $636,594 for the six-year contract term for all parcels included in the contract.

**Equal Opportunity Program and Purchasing Program Compliance**

The MJM team meets the Agency’s equal opportunity program goals for Mission Bay. MJM, the prime Contractor, is a San Francisco-based woman-owned firm, no longer economically disadvantaged, and all of three subcontractors are Small Business Enterprise (“SBE”) firms. Based on the Year 2011 operating and management fee budget of $1,551,116, less the $428,842 allocated for operating costs, such as utility payments, SBE’s will receive 61.4% of the contract amount, as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Type</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>MJM Management Group</td>
<td>n/a</td>
<td>$433,066</td>
<td>38.6%</td>
</tr>
<tr>
<td>Aim to Please Janitorial Services</td>
<td>SBE</td>
<td>$199,620</td>
<td>17.8%</td>
</tr>
<tr>
<td>A Topnotch Security Services, Inc.</td>
<td>SBE</td>
<td>$219,780</td>
<td>19.6%</td>
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<tr>
<td>Forster and Kroeger Landscape Maintenance, Inc.</td>
<td>SBE</td>
<td>$269,808</td>
<td>24.0%</td>
</tr>
</tbody>
</table>

Three of the four firms are San Francisco-based and all four have very strong minority and women workforce participation. MJM has been working with the South of Market Employment Center on recruitment and training, with direction from Agency staff, to ensure that the team’s workforce continues to reflect the diversity of San Francisco’s residents.

MJM and its subcontractors are in compliance with all of the Agency’s purchasing and contracting policies, including policies on non-discrimination in benefits and minimum compensation.

**CEQA Environmental Review**

Under the Contract Amendment, the ongoing maintenance of the Mission Bay open space system will provide quality active and passive recreational opportunities for residents of the Mission Bay North and South Redevelopment Project Areas and the general public. The Contract and the Contract Amendment are exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15301(h) and will not cause a significant physical effect on the environment.

*(Originated by Catherine Reilly, Assistant Project Manager)*

Tiffany Bohee
Executive Director
Attachments: 1. Mission Bay Open Space System Map  
2. Mission Bay Park P10