MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee
Executive Director

SUBJECT: Authorizing a Second Amendment to the Personal Services Contract with Twin III Building Maintenance Company, a sole proprietorship, that extends the term by 15 months to June 30, 2015 and increases the amount by $19,698.75 for an aggregate contract amount not to exceed $352,768.75 to fulfill property management obligations for Shoreview Park; former Hunters Point Redevelopment Project Area

EXECUTIVE SUMMARY

The Office of Community Investment and Infrastructure ("OCII" or the "Successor Agency"), the successor to the former San Francisco Redevelopment Agency (the "RDA"), currently contracts with a property management firm to maintain Shoreview Park on Lillian Court, between Rosie Lee Lane and Beatrice Lane, in the former Hunters Point Redevelopment Project Area. See Exhibit A for maps of Shoreview Park and Exhibit B for photos of Shoreview Park. OCII still owns Shoreview Park, and proposed transferring it to the City and County of San Francisco (the "City") for a governmental purpose (i.e., a public park) under the Long-Range Property Management Plan ("PMP") submitted to the State Department of Finance ("DOF") in November 2013, as required under State Assembly Bills 26 and 1484 ("Redevelopment Dissolution Law"). Under Redevelopment Dissolution Law, OCII cannot sell or transfer any of its properties until DOF approves the PMP. DOF is still reviewing OCII's PMP.

The personal services contract with the property management firm, Twin III Building Maintenance Company ("Twin III"), expires on March 31, 2014. Staff desires to extend this contract with Twin III for 15 months to June 30, 2015 because OCII has an enforceable obligation to maintain this property until it can be transferred to the City pursuant to OCII's DOF-approved PMP. The cost of this extension would be $19,698.75, for a total contract amount of $352,768.75. The total contract amount is high because when it was first executed in 2010, Twin III was required to maintain five properties owned by the RDA. The proposed Second Amendment is attached to this memorandum as Exhibit C.

The source of funds for the $19,698.75 is new property tax revenue authorized under the Successor Agency's Recognized Obligation Payment Schedule for the second half of the 2013-2014 fiscal year ("ROPS 13-14 B"), and to be authorized under the Successor Agency's Recognized Obligation Payment Schedules for the 2014-2015 fiscal year ("ROPS 14-15 A" and "ROPS 14-15 B"). Payments under the contract during the 2014-2015 fiscal year are contingent on future approvals by the Oversight Board and DOF.
Staff recommends approval of the proposed Second Amendment with Twin III.

DISCUSSION

Twin III has been maintaining up to five former RDA-owned properties since 2010. The company was the successful bidder on a request for proposals that the RDA issued in late 2009. There were six bidders and Twin III was determined to be the most qualified bidder, based on the selection criteria contained in the request for proposals, including demonstrated knowledge, skills, price, and relevant experience.

Twin III is a San Francisco-based, woman-owned, minority-owned business founded in 1988. Twin III provides janitorial service to a variety of business institutions including office buildings, banks, day care facilities, parking structures, and health care facilities. Much of the company’s experience has been providing service for state, county, city and local government agencies. The company was certified by the RDA as a Small Business Enterprise.

Four of the five properties under Twin III’s original contract have since transferred to the Mayor’s Office of Housing and Community Development, the housing successor agency for the City. Only Shoreview Park remains under Twin III’s personal services contract. See Exhibits A and B for maps and photos of the park.

Twin III removes litter and large trash items, removes graffiti, mows lawns, prunes trees and vines, repairs and maintains security fences, and generally inspects the property to discourage loitering and homeless encampments. Twin III provides these services at Shoreview park once a month during the winter months (September through February) and twice a month during the spring/summer months (March through August) (See Exhibits A and B for maps and photos.).

Proposed Second Amendment

Twin III’s personal services contract was approved by the RDA Commission on March 16, 2010, under Resolution No. 26-2010. The RDA exercised its options under Section 2 of the personal services contract to extend the term from March 31, 2011 to March 31, 2013. The contract was extended again under a First Amendment, authorized by the Successor Agency’s Commission under Resolution No. 5-2013. Twin III’s personal services contract expires on March 31, 2014.

OCII has an enforceable obligation to continue maintaining Shoreview Park until it can be transferred to the City pursuant to OCII’s DOF-approved PMP. In order to do that, the current personal services contract with Twin III must be amended. The following are the key terms contained in the proposed Second Amendment, which is attached as Exhibit C:

- **Term.** The term of the personal services contract will be extended 15 months to June 30, 2015. By that time, OCII hopes to have transferred Shoreview Park to the City, pursuant to the Successor Agency’s DOF-approved PMP.

- **Contract Amount.** The cost of this extension would be $1,313.25 a month, or $19,698.75 for the total 15-month extension. That figure represents a 3% increase over the current
monthly fee of $1,275.00 a month, which hasn’t been raised in two years. A year-by-year breakdown of the total contract amount is shown in the chart below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Dates</th>
<th>Monthly</th>
<th>Annual</th>
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<tbody>
<tr>
<td>Year 1</td>
<td>4/1/10 – 3/31/11</td>
<td>$6,693.00</td>
<td>$80,316.00</td>
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<tr>
<td>Year 2</td>
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<td>Year 3</td>
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<td>$84,382.00</td>
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<td>4/1/13 – 3/31/14</td>
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<td>$36,048.00</td>
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<td>Year 5</td>
<td>4/1/14 – 3/31/15</td>
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<td>$15,759.00</td>
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<td>Year 6 (3 mos)</td>
<td>4/1/15 – 6/30/15</td>
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<td>$3,939.75</td>
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<td>Contingency for change orders</td>
<td></td>
<td>$50,000.00</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$352,768.75</strong></td>
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The source of funds for the $19,698.75 is new property tax revenue authorized under ROPS 13-14 B and to be authorized under ROPS 14-15 A and ROPS 14-15 B. Payments under the personal services contract during the 2014-2015 fiscal year are contingent on future approvals by the Oversight Board and DOF.

Twin III’s personal services contract includes the applicable equal opportunity programs, such as OCII’s Minimum Compensation Policy and Health Care Accountability Policy.

**Community Input**

In addition to multiple phone conversations, staff has met twice with community members at Shoreview Park to discuss property management issues (including the proposed Second Amendment), the need for capital improvements at the park, and the future transfer of the park to the City pursuant to OCII’s DOF-approved PMP. The first meeting occurred on October 31, 2013 and the second occurred on February 3, 2014. Twin III was present at both meetings. At the second meeting, representatives from the City’s Department of Real Estate and Recreation and Parks Department were also present.

As a result of that second meeting, staff researched past efforts to improve the park. A lengthy community process was conducted in 2008-2010 to determine the community’s preferences for the park. As a result of that process, a park redesign was developed to (1) correct health and safety/disability access issues, (2) replace broken benches, a malfunctioning irrigation system, and a hazardous play structure, and (3) make other hard and soft capital improvements. A 2010 estimate for this work totaled $1.25 million. Escalating that figure by 3% a year yields a current cost estimate of about $1.4 million.

To fund this cost, staff requested $1.15 million in Community Development Block Grant (“CDBG”) funds\(^1\) on OCII’s ROPS 14-15 A which received Oversight Board approval on

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\(^1\) Most of these funds come from rental payments Kroger’s grocery store pays to OCII under a ground lease at 345 Williams Street to operate a Foodsco. The RDA purchased the land on which Foodsco sits with CDBG funds, and hence, any income generated from this property is CDBG program income. Staff has met with representatives from the Mayor’s Office of Housing and Community Development, the City’s CDBG administrator, to include the $1.15 million for Shoreview Park in the City’s “2014-2015 Action Plan” which details the City’s use of CDBG program income during the 2014-15 fiscal year. The 2014-2015 Action Plan must be approved by the Board of Supervisors.
February 24, 2014. ROPS 14-15 A still requires DOF approval. If approved by DOF, OCII will either: (1) transfer this money to the City to use for this purpose when Shoreview Park is transferred to the City, pursuant to OCII's DOF-approved PMP or (2) spend this money itself for this purpose (through a public competitive procurement process) prior to transferring Shoreview Park to the City. The balance of the funds (about $300,000) could be requested by OCII on future ROPS, or contributed by the City or other entities. A proposal to improve Shoreview Park and transfer it to the City will be brought to the Commission for its consideration at a later date.

CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA")

Authorization of the Second Amendment will facilitate the cleaning, maintenance and roving site inspection services on a monthly basis for Shoreview Park. The activities under the proposed Second Amendment are categorically exempt from CEQA pursuant to CEQA Guidelines Sections 15301(h) and 15061(b)(3). The activities would not directly cause any significant adverse change in the physical environment.

STAFF RECOMMENDATION/NEXT STEPS

Staff recommends approval of the proposed Second Amendment to the personal services contract with Twin III to extend the term by 15 months to June 30, 2015 at a cost of $19,698.75 to maintain Shoreview Park. A proposal to improve Shoreview Park and transfer it to the City will be brought to the Commission for its consideration at a later date.

(Originated by Tracie Reynolds, Manager, Real Estate and Development Services)

Tiffany Bohee
Executive Director

Exhibit A: Maps of Shoreview Park
Exhibit B: Photos of Shoreview Park
Exhibit C: Proposed Second Amendment