MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee
Executive Director

SUBJECT: Authorizing a First Amendment to the Personal Services Contract with Twin III Building Maintenance Company, a sole proprietorship, that extends the term by 12 months and increases the amount by $36,048 for an aggregate contract amount not to exceed $333,070 to provide cleaning, maintenance and roving site inspection services on an as-needed basis for one property owned by the Successor Agency and one property owned by the City and County of San Francisco

EXECUTIVE SUMMARY

The Office of Community Investment and Infrastructure (the “OCII” or “Successor Agency”), the Successor Agency to the Redevelopment Agency of the City and County of San Francisco ("RDA"), currently contracts with a property management firm to maintain two properties in the former Hunters Point Redevelopment Project Area. One of these properties is Shoreview Park, a half-acre park with a children’s play area, and the other property is a vacant 50,000-square-foot property slated for future affordable housing. Shoreview Park is owned by the OCII, and the affordable housing site was formerly owned by the RDA and transferred to the City and County of San Francisco ("City"). Maps of these sites are attached to this memorandum. The personal services contract with the property management firm, Twin III Building Maintenance Company ("Twin III"), expires on March 31, 2013.

Staff desires to extend this contract with Twin III for one year to March 31, 2014. The cost of this extension would be $36,048. That figure includes $15,300 to maintain Shoreview Park, and $20,748 to maintain the affordable housing site, commonly called the “Whitney Young/Hudson” site. The cost to maintain Shoreview Park will be paid by OCII from tax increment reserve balances from the Bayview-Hunters Point Redevelopment Project Area, as approved by the Oversight Board in the Recognized Obligation Payment Schedule (“ROPS”) for the first half of fiscal year 2013-14. The cost to maintain the Whitney Young/Hudson site will be paid by the City with property management funds. City staff has asked OCII to continue Twin III’s contract to maintain the Whitney Young/Hudson site to give the City time to develop a long-term plan for the site’s property management and development.

OCII staff also desire to extend this contract so that Shoreview Park can be maintained until a disposition and/or retention plan can be implemented pursuant to the long-range property management plan that is required under Redevelopment Dissolution Law and that will be submitted to the Commission, the Oversight Board, and the State Department of Finance.
("DOF") (the "Property Management Plan"). In the Property Management Plan, OCII must identify its real property for one of the following uses: governmental use, future development, fulfillment of an enforceable obligation, or sale of the property. The Redevelopment Dissolution Law requires the Oversight Board and DOF to approve the Property Management Plan and imposes other conditions on the assets if the plan is approved.

Pending the approval of the Property Management Plan, OCII has the obligation to maintain Shoreview Park. In addition, the maintenance of this property is part of the "winding down" of redevelopment agencies that is allowed under Redevelopment Dissolution Law. Section 34177.3 (b) of the California Health and Safety Code states that: "Successor agencies may create enforceable obligations to conduct the work of winding down the redevelopment agency, including hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance." The proposed First Amendment would create a new enforceable obligation that would ensure the property maintenance of Shoreview Park until the OCII's DOF-approved Property Management Plan can be implemented.

For this reason, staff is bringing the proposed First Amendment before the Commission for its consideration and approval. In addition, per the OCII's Purchasing Policy, the Commission must approve any contract-related expenditure that totals in the aggregate more than $50,000. The cumulative total of the personal services contract with Twin III, including the proposed First Amendment, is $333,070 (including a $50,000 contingency).

Staff recommends approval of the proposed First Amendment to the personal services contract with Twin III to maintain Shoreview Park and the Whitney Young/Hudson site.

DISCUSSION

Twin III has been maintaining several formerly 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 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.

Over the last three years, Twin III has been maintaining between three and five OCII-owned properties. As of the end of March 2013, three of the original five properties have been developed (or are being developed) as affordable housing (i.e., 474 Natoma Street, the Keith/Fairfax site, and 735 Battery Street). The two remaining properties are Shoreview Park and the Whitney Young/Hudson site, both of which are briefly described below:
**Shoreview Park** is a half-acre park owned by OCII and located at 1 Lillian Street between Beatrice and Rosie Lee Lanes in the former Hunters Point Redevelopment Project Area. The park consists of a grassy area with landscaped trees and a children’s play area. Concrete walkways provide access from the streets to the children’s play area (See Exhibit A). The monthly cost to maintain this park is $1,275 (or $15,300 a year).

**Whitney Young/Hudson Site** is an approximately 50,000-square-foot vacant piece of property owned by the City and located at the intersection of Whitney Young Circle and Hudson Avenue in the former Hunters Point Redevelopment Project Area. It is being held as a future affordable housing development site. (See Exhibit B). The monthly cost to maintain this property is $1,729 (or $20,748 a year).

Each week, Twin III removes litter and large trash items, removes graffiti, mows lawns, prunes trees and vines, repairs and maintains security fences, and inspects these two properties to discourage loitering and homeless encampments.

**Proposed First Amendment**

OCII has the obligation to continue maintaining Shoreview Park until the DOF-approved Property Management Plan can be implemented. In addition, City staff has asked OCII to continue Twin III’s contract to maintain the Whitney Young/Hudson site to give the City time to develop a long-term plan for the site’s property management and development.

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 First Amendment:

- **Term.** The term of the personal services contract will be extended 12 months to March 31, 2014.

- **Contract Amount.** The cost of this extension would be $36,048. That figure includes $15,300 to maintain Shoreview Park, and $20,748 to maintain the Whitney Young/Hudson site. This cost is the same as the current cost to maintain these two properties. The cost to maintain Shoreview Park will be paid by OCII from tax increment reserve balances from the Bayview-Hunters Point Redevelopment Project Area, as approved by the Oversight Board in the ROPS for the first half of fiscal year 2013-14. The cost to maintain the Whitney Young/Hudson site will be paid by the City with property management funds.

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

**CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA")**

Authorization of the First Amendment will facilitate the cleaning, maintenance and roving site inspection services on an as-needed basis for these two properties. The activities under the proposed First 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

Staff recommends approval of the proposed First Amendment to the personal services contract with Twin III to extend the term by 12 months to March 31, 2014 at a cost of $36,048 to maintain Shoreview Park and the Whitney Young/Hudson site.

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

Tiffany Hohee
Executive Director

Exhibit A: Map of Shoreview Park
Exhibit B: Map of Whitney Young/Hudson Site