MEMORANDUM

TO: Agency Commissioners

FROM: Tiffany Bohee, Executive Director

SUBJECT: Authorizing a First Amendment to the Personal Services Contract with McCoy's Patrol Service, a California corporation, to extend the contract term on a month-to-month basis for up to two months for the period January 1, 2014 through February 28, 2014, and to increase the contract amount by an amount not to exceed $70,000, to provide security services at the Hunters Point Shipyard, for a total aggregate amount of $1,776,613; Hunters Point Shipyard Redevelopment Project Area.

EXECUTIVE SUMMARY

Under the 2004 Conveyance Agreement with the U.S. Department of the Navy (the “Navy”) the San Francisco Redevelopment Agency (“SFRA”), and now the Office of Community Investment and Infrastructure or “OCII” as successor, is required to provide security services at the Hunters Point Shipyard (the “Shipyard”). Through the Shipyard Phase 1 Disposition and Development Agreement (“Phase 1 DDA”), the Shipyard’s developer, HPS Development Co, LP (“Lennar” or the “Developer”) is required to provide property management services under an Interim Lease starting in 2006, except for security services for which SFRA decided to contract directly. In furtherance of this, SFRA issued a Request for Qualifications (“RFQ”), seeking qualified security firms to provide security services (“Security Services”) at the Shipyard in August 2005. SFRA staff received three complete responses from security firms through the RFQ. After an evaluation of the proposals and interviews, McCoy’s Patrol Service (“McCoy”) was determined to be the most qualified firm to provide Security Services at the Shipyard and was recommended to the SFRA Commission for a personal services contract (“Contract”). SFRA entered into a three-year Contract with McCoy, with two one-year extensions to be exercised by the Executive Director, and the Contract expires on December 31, 2013. The Interim Lease requires that Lennar provide security services if requested by OCII. OCII has requested that Lennar provide Security Services; however, additional time is needed for Lennar to complete a competitive solicitation process to procure a security provider. Therefore staff is seeking to extend the Contract for up to two months, on a month to month basis, and to increase the budget by $70,000 to cover the additional two months of services (“First Amendment”). OCII is reimbursed 100 percent for security services on a pro-rata-share basis by the Navy and Lennar.

Staff seeks Commission authorization of a First Amendment to the Contract with McCoy, to extend the contract term on a month-to-month basis for up to two months for the period January 1, 2014 through February 28, 2014, and to increase the Contract budget by an amount not to exceed $70,000, to provide security services at the Hunters Point Shipyard, for a total aggregate amount of $1,776,613.
BACKGROUND

The Shipyard is an approximately 500 acre former naval base located along the southeastern waterfront of San Francisco. The Board of Supervisors originally adopted the Redevelopment Plan in 1997 and amended it in 2010 to provide for the integrated planning and development of the Shipyard and the Candlestick Point portion of the Bayview Hunters Point Redevelopment Project Area.

The Conveyance Agreement establishes the process for the transfer of Shipyard parcels from the Navy, after the Navy has completed environmental remediation of parcels to levels consistent with the intended reuse of the property. The Conveyance Agreement also set forth rights and responsibilities for both the Navy and SFRA including requiring SFRA to enter into a Security Cooperative Agreement with the Navy in 2005 to provide Security Services at the Shipyard. Since then Security Services at the Shipyard has been provided by McCoy through a Contract first with SFRA and now with OCII.

The Phase 1 DDA required Lennar to provide property management services at the Shipyard through an Interim Lease starting in 2006. The Interim Lease required Lennar to provide all the property management services for the OCII occupied areas of the Shipyard (currently Parcel A and portions of Parcel B) except for Security Services which SFRA elected to contract for directly. However, the Interim Lease requires Lennar to provide Security Services if requested by OCII.

Due to the constraints on staffing resources that resulted from the state-wide redevelopment dissolution process, staff believes that Lennar is better positioned to provide the Security Services than OCII, especially since Lennar is already providing all the other property management services at the Shipyard through the Interim Lease.

However, Lennar is unable to complete a solicitation before the term of McCoy’s Contract ends on December 31, 2013. In order to provide uninterrupted Security Services for the Shipyard during the procurement process, staff is seeking to extend the current Contract on a month to month basis for up to two months through this First Amendment. The extended Contract would then be terminated once a new personal services contract with Lennar is in effect. This First Amendment will not change the scope of work of the Contract but will increase the budget of the Contract by $70,000. The Shipyard Citizens Advisory Committee (“CAC”) concurs with the recommendation to extend this Contract.

DISCUSSION

Lennar plans to issue a Security Services Request for Proposals (“RFP”) late in December 2013 with a new Security Services to be entered into no later than March 1, 2014. As with other professional services contracts on the Shipyard, Lennar’s procurement is subject to the Bayview Hunters Point Employment and Contracting Policy, which requires First Consideration for Small Business Enterprises within the Project Area. The RFP will be advertised on; (1) OCII’s website, (2) the City of San Francisco’s “Bids and Contracts” website, (3) the San Francisco Chronicle/Examiner, and (4) local publications reaching San Francisco’s diverse populations.
Outreach will also be conducted through Lennar’s Construction Assistance Program to ensure that the Bayview Hunters Point and San Francisco’s small business community are aware of this business opportunity. RFP responses will be evaluated by Lennar with OCII and CAC involvement. The selected Security Services firm will enter into a Contract with the Lennar.

Community Outreach

OCII staff briefed the CAC on the details of the proposed First Amendment with McCoy during its meeting on December 9, 2013. The CAC recommended that the First Amendment move forward to the Commission for consideration.

Enforceable Obligation

The Contract amendment with McCoy’s is an enforceable obligation under Dissolution Law. The Contract is in furtherance of, and is necessary to complete, OCII obligations under the Phase 1 and 2 DDAs, as well as the Security Cooperative Agreement. On December 14, 2012, the California State Department of Finance issued a Final and Conclusive Determination under California Health and Safety Code § 34177.5 (i), that the Phase 1 DDA and the Phase 2 DDA are enforceable obligations that survived the dissolution of SFRA. The Contract is shown on line 27 of the approved Recognized Obligation Payment Schedule for January to June 2014, which was approved by the Oversight Board and the Department of Finance. OCII expenses under the Contract are reimbursable by Lennar under the Shipyard’s Phase 1 and 2 DDAs as well as the Navy under the Security Cooperative Agreement.

California Environmental Quality Act

Authorization of a Contract amendment with McCoy’s is an OCII administrative activity that would not have any direct physical effects on the environment and is not a “Project” as defined in California Environmental Quality Act Guidelines Section 15378(b)(5).

(Originated by Thor Kaslofsky, Hunters Point Shipyard Project Manager)

[Signature]
Tiffany Bolice
Executive Director

Attachment 1: First Amendment to the Contract with McCoy’s Patrol Service