



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

Updated May 30, 2012

Request for Proposals 2012-007

**REQUEST FOR PROPOSALS FOR  
COMMERCIAL REAL ESTATE BROKERAGE AND  
ADVISORY SERVICES**

**SECTION I – BROKER SELECTION TIMETABLE**

Date	Time	Details
Thursday, May 24, 2012	10am	Pre-Bidders Conference held at Air District Offices at 939 Ellis Street, San Francisco
Thursday, June 7, 2012	2pm	All questions regarding the RFP due via email to <a href="mailto:tflannigan@baaqmd.gov">tflannigan@baaqmd.gov</a>
Thursday, June 14, 2012	12:30pm	Responses to questions posted on the Air District website
Thursday, June 28, 2012	12:30pm	RFP proposals due: Hard copies, electronic copies submitted
Tuesday, July 17, 2012	TBD	Interviews (if requested by Air District)
Wednesday, July 18, 2012	TBD	Interviews (if requested by Air District)
Wednesday, September 19, 2012	-	Board Meeting: Air District awards contract

**SECTION II – SUMMARY**

The Bay Area Air Quality Management District (Air District) is requesting proposals (RFP) from qualified California licensed commercial real estate brokerage firms (brokers) to assist the Air District with the sale or lease of its current headquarters, located at 939 Ellis Street in the City of San Francisco. The firm should have qualified personnel with previous experience in providing commercial real estate brokerage and advisory services to government and corporate clients for large scale property sales or leases.

To respond to this RFP, an interested bidder must submit one electronic copy of the proposal on a thumb drive or via email to [tflannigan@baaqmd.gov](mailto:tflannigan@baaqmd.gov), plus three (3) complete hard copies of their material, including one unbound copy containing original signatures marked as “master copy.” This material must be delivered in a sealed package to:

Tom Flannigan, Administrative Analyst  
Bay Area Air Quality Management District  
939 Ellis Street, San Francisco, CA 94109

**Proposals must be received at the Air District offices by 12:30 p.m.  
on Thursday, June 28, 2012.  
Late proposals will not be considered.**

A broker must address all information requested in this RFP. It may add information not requested in this RFP, but the information should be in addition to, not instead of, the requested information and format. Minority business enterprises, women's business enterprises, veteran's business enterprises, and Certified Green Businesses are encouraged to submit proposals.

**Any questions regarding this RFP should be directed to Tom Flannigan at:  
tflannigan@baaqmd.gov.**

## **SECTION III – BACKGROUND**

### **A Air District Overview**

The Air District is seeking proposals from brokers interested in assisting the Air District in the sale or lease of its current headquarters located at 939 Ellis Street in San Francisco. The Air District owns this 116,000 gross square foot building unencumbered by any outstanding debt. Approximately 200 Air District employees work in the building. The Air District expects to be moving to its new building on Main Street in San Francisco in the fall of 2013 and seeks to coordinate the sale or lease of its current building with this move.

### **B. Project Objectives and Description**

The successful bidder will assist the Air District in researching the potential market for 939 Ellis Street, in determining an appropriate price or rent, in developing appropriate disclosures, and in developing and implementing market strategies for 939 Ellis Street that will produce the highest and most certain financial return to the Air District. The broker will present options and recommendations for approval to the Air District's Board of Directors and assist in negotiating and completing a final real estate transaction, including any escrow.

The Air District expects the work to commence in the summer of 2012 and be completed around July 2013, with uncertainty associated with the timing of the build out of the District's new facility at Main Street. At the Air District's sole option, the contract may be extended for up to one year as necessary to complete work set forth in the Preliminary Scope of Work.

### **C. Minimum Qualifications**

Please note that responses to this RFP are sought only from experienced brokers who can demonstrate their ability to perform and who have personnel with a proven track record of success in providing commercial real estate brokerage services. A proposal must demonstrate that the broker meets the following minimum qualifications to be eligible for consideration for this project:

1. The firm, organization or company must be a licensed real estate broker in the state of California. The lead broker and other key real estate professionals assigned to the contract must be licensed real estate brokers in the state of California.
2. The firm must have an office that has been continuously operated for the last ten

years within the nine Bay Area counties.

3. The lead broker assigned to the contract and responsible for the coordination and execution of the work must have a minimum of ten years of experience and a proven track record in providing commercial real estate brokerage transactional services involving large scale commercial properties for its clients.
4. Each real estate professional assigned to this contract must have a minimum of seven years of experience in his or her areas of expertise. All other assigned professionals must have a minimum of five years of experience in their areas of expertise.
5. Be advised that the Air District will require that the contract between the broker and the Air District include a provision making any change in staff persons identified in the contract subject to the approval of the Air District. Removal by the broker of any staff persons identified in the contract without written consent of the Air District may be considered a material breach of contract.

## **SECTION IV – INSTRUCTIONS TO BIDDERS**

### **A. General**

1. All proposals must be made in accordance with the conditions of this RFP. Failure to address any of the requirements is grounds for rejection of this proposal.
2. All information should be complete, specific, and as concise as possible.
3. Proposals should include any additional information that the respondent deems pertinent to the understanding and evaluation of the bid.
4. The Air District may modify the RFP or issue supplementary information or guidelines during the proposal preparation period prior to the due date. Please check our website for updates.
5. Proposals shall constitute firm offers. Once submitted, proposals cannot be altered without the written consent of the Air District, but proposals may be withdrawn.
6. The Air District reserves the right to reject any and all proposals.
7. All questions must be in written form and directed to Tom Flannigan and arrive no later than June 7, 2012. All questions will be answered in writing and posted on the Air District RFP webpage on June 14, 2012.
8. A pre-bidders conference will be held from on Thursday, May 24, 2012 at 10am at the Air District's office located at 939 Ellis Street. Bidders are encouraged, but not required, to attend.
9. The cost for developing the proposal is the responsibility of the bidder, and shall

not be chargeable to the Air District.

10. All responses to this RFP become property of the Air District and will be kept confidential until a recommendation for award of a contract has been announced. Thereafter, submittals are subject to public inspection and disclosure under the California Public Records Act. If a respondent believes that any portion of its submittal is exempt from public disclosure, it may mark that portion "confidential." The Air District will use reasonable means to ensure that such confidential information is safeguarded, but will not be held liable for inadvertent disclosure of the information. Proposals marked "confidential" in their entirety will not be honored, and the Air District will not deny public disclosure of any portion of submittals so marked.

By submitting a proposal with portions marked "confidential," a respondent represents it has a good faith belief that such portions are exempt from disclosure under the California Public Records Act and agrees to reimburse the Air District for, and to indemnify, defend, and hold harmless the Air District, its officers, employees, and agents, from and against any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs, and expenses, including without limitation, attorneys' fees, expenses, and court costs of any nature whatsoever, arising from or relating to the Air District's non-disclosure of any such designated portions of a proposal.

#### **B. Submittal of Proposals**

1. Proposals must be submitted as specified in Section II.
2. Submittal of new material at an interview will not be permitted.

#### **C. Interviews**

1. The Air District, at its option, may interview bidders for the purpose of clarifying the proposals.
2. Submittal of new proposal material at an interview will not be permitted.
3. Interviews may involve a presentation or a question-and-answer format or any combination of these.

### **SECTION V – PROPOSAL FORMAT AND CONTENTS**

#### **A. Transmittal Letter**

Proposals must include a transmittal letter signed by an official authorized to solicit business and enter into contracts for the firm and the name and telephone number of a contact person, if different from the signature.

#### **B. Title Page**

Proposals must include a title page that includes the RFP subject, the name of the broker's firm, local address, telephone number, name of contact person, and the date.

### **C. Table of Contents**

Proposals must include a table of contents that includes a clear identification of the material by section and page number.

### **D. Company/Firm Information**

Proposals must provide the name of the business entity (including any fictitious business names), details of the entity's business structure (i.e. corporation, partnership, LLC), organization chart for the business entity, statement(s) on financial integrity of all entities related to the company/firm or joint venture that will be involved in the contract, the location of offices located within the nine-county Bay Area region, and the number of licensed brokers and agents/salespersons employed by company/firm in this region.

### **E. Qualifications and References**

1. Qualifying Experience – Firm: Describe the firm's qualifications specific to the requirements set forth in *Section III.C, Minimum Qualifications*.
2. Qualifying Experience - Professionals: Provide the name and title of the managing principal representative for the coordination and execution of work, other key real estate professionals, and any other professionals that will be assigned to this contract including resumes (not exceeding 2 pages) of education, experience and qualifications related to experience, copies of the California broker/salesperson licenses, contact information, and their area of responsibility in servicing the contract.
3. Transactions: Provide a list of all commercial sales and leasing transactions that occurred any time during the five-year period beginning April 1, 2007 and ending March 31, 2012 involving the firm, the managing principal, or other real estate professionals on the proposed team. Identify for each transaction whether the client was a government entity or a private entity. The managing principal and real estate professionals on the proposed team are not restricted to experience and performance with a specific firm.
4. Business References: Provide a minimum of five business references from clients for projects of a similar size and scope.
5. Litigation: Provide a list of any outstanding litigation in which the firm, managing principal, or a team real estate professional is a named party.

### **F. Proposed Work Plan/Schedule**

This section should present a proposed work plan for the tasks described in Appendix A, Preliminary Scope of Work. This section should clearly convey the broker's understanding of the scope of work and the general approach to be taken.

Please do not present a work plan for optional services described in Appendix A, Preliminary Scope of Work. The proposed work plan should include the following:

1. A detailed description of the proposed management structure, including but not limited to, team organization, roles and responsibilities, program monitoring procedures, and communication mechanisms.
2. A discussion of what additional information, based on a review of the minimum real estate requirements, will be required to successfully market the building.
3. A detailed plan of the proposed approach and available tools to market the building and the process for evaluating these options for review and approval by the Air District's Board of Directors.
4. A proposed timeline and schedule for completing *Appendix A, Preliminary Scope of Work*.
5. A discussion of any experience representing government agency/corporate clients with a project of similar size and scope of work. Discussion should include any experience presenting recommendations to the public agency governing boards for review and approval.
6. A discussion of any other essential data that may assist in the evaluation of the proposal.
7. Provide copies of the proposed agreements that the Air District would be asked to sign as part of engaging the brokerage firm and its principals.

#### **G. Compensation Schedule**

The broker must submit a compensation schedule, typically in the form of a commission, for both sale and lease transactions. The compensation schedule must also list any non-commission fees, including charges for any other services outlined in Appendix A, Preliminary Scope of Work. It must include any market research information and data sources that will be made available to the Air District along with any costs to be charged for access to the data. For all compensation, the compensation schedule must identify the circumstances under which the compensation would be due.

The broker's compensation schedule must include all charges that the Air District will be assessed. The broker must warrant that the fees quoted in the compensation schedule are the only compensation (direct or indirect) that it will receive from all transactions related to 939 Ellis Street. The submitted compensation schedule shall be guaranteed by the broker for the maximum term of the contract, and any extensions thereof.

#### **H. Conflict of Interest**

Proposals must provide full disclosure of any known potential conflicts of interest as they relate to any potential transactions involving the Air District or 939 Ellis Street. The broker, its employees and agents, hereby acknowledge their understanding of

the concern expressed about the potential existence of any conflict of interest and/or influence arising from this project and the Broker's prior or future dealings with property owners.

1. Broker must fully disclose any formal relationship with Air District.
2. Broker should warrant that quoted fees are the only compensation (direct or indirect) that he/she or it will receive from this transaction.
3. All other disclosure which may be reasonably relevant to the concerns expressed above. Violation of any of the above can result in non-issuance of contract or revocation of contract.

## **SECTION VII – PROPOSAL EVALUATION**

The Air District's prime objective in the selection process will be to evaluate each proposal on its merits and select the broker receiving the highest total points to provide the required services.

Evaluation: Each bidder will undergo an evaluation of each proposal submitted by a panel of representatives from the Air District staff. The panel will recommend the selection of the contractor to the Executive Officers, who will, in turn, make a recommendation to the Board of Directors.

The evaluation criteria (and their relative importance displayed as % weights) are listed in Table 1 below.

Understanding and approach to performing the scope of work.	35%
Compensation Schedule including commission rate and other applicable fees	25%
Technical expertise, size and structure of the Broker and personnel assigned to RFP tasks	20%
Past experience of the firm and, in particular, experience of the team working on projects of similar scope.	20%

The Air District reserves the right to reject any and all proposals submitted and/or request additional information. During the selection process, the evaluation panel may interview bidders. The interviews will be for clarification only. The submittal of new material will not be permitted at that time. Interviews may involve a presentation or a question-and-answer format or any combination of these.

If two or more proposals receive the same number of points, the agencies will accept the lower cost offer.

## APPENDIX A

### SCOPE OF WORK OUTLINE OF SERVICES

The selected broker will be responsible for providing support to the Air District staff in the sale or lease of 939 Ellis Street, San Francisco.

The principal responsibilities of the selected broker will be to assist the Air District in researching the potential market for 939 Ellis Street, in determining an appropriate price or rent, in developing appropriate disclosures, and in developing and implementing market strategies for 939 Ellis Street that will produce the highest and most certain financial return to the Air District. The selected broker will provide the following services:

#### **Task 1 – Project Organization:**

- Identify key objectives, project schedule, project team(s), roles and responsibilities, and governance structure.
- Assist with identification of and timing for supplemental third-party assistance.
- Prepare informational materials and attend scheduled meetings with the Air District's project manager and executive management staff.
- Report weekly to the project manager about current/new efforts, contacts/leads, and other developments.
- Maintain timely telephone and/or email contact with the project manager.
- Coordinate efforts of sub-contractors for supplemental third party assistance, as appropriate.

#### **Deliverables:**

- 1.1 Project organization and work plan document for review by the Air District's project manager and executive management.**
- 1.2 Updates to project schedule and timelines.**

#### **Task 2 – Market Analysis/Option Development**

- Prepare real estate market surveys and economic analyses.
- Prepare estimates of property value and rental value.
- Assess property sale and lease opportunities.
- Develop marketing timelines for each opportunity.
- Develop financial return projections for each opportunity.

#### **Deliverables:**

- 2.1 Market survey.**
- 2.2 Estimates of sale and rental value.**
- 2.3 Real estate options document that discusses market survey, estimated sales and rental value, options with timelines and financial return projections for each option.**

#### **Task 3 – Selection of Option(s)**

- Present options to executive management.
- Refine options based on executive management input.
- Present options to Board of Directors.

**Deliverables:**

- 3.1 Executive management presentation.**
- 3.2 Board of Directors presentation.**

**Task 4 – Development of Marketing Plan**

Prepare marketing plan.

Research and prepare required disclosures.

Present marketing and disclosure documents for Air District approval.

**Deliverables:**

- 4.1 Marketing plan.**
- 4.2 Disclosures documentation.**
- 4.3 Marketing plan presentation.**

**Task 5 – Marketing**

- Place advertising and other marketing materials.
- Communicate with prospective buyers/lessees.
- Convey offers to Air District and assist in their evaluation.
- Evaluate prospective buyers/lessees.
- Develop recommendation for sale or lease.
- Present recommendation to the Air District for approval.

**Deliverables:**

- 5.1 Advertising and other marketing materials.**
- 5.2 Recommendation for buyer or lessee.**

**Task 6 – Structure Real Estate Transaction**

- Assist the Air District in structuring the real estate transaction.
- Represent the Air District's interest in any negotiations to structure sale or lease of the property.
- Present proposed deal to Air District for approval.
- Negotiate final terms and conditions.

**Deliverables:**

- 6.1 Final terms and conditions for approval by the Air District.**

**Task 7 – Close Real Estate Transaction**

- Prepare transaction documents.
- Arrange for remedy of any building deficiencies required to complete transaction.
- Monitor and coordinate closing of transaction.

**Deliverables:**

- 7.1 Closed transaction**