



METROPOLITAN
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COMMISSION

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Scott Haggerty, Chair
Alameda County

December 3, 2010

REQUEST FOR PROPOSALS (RFP)

COMMERCIAL REAL ESTATE BROKERAGE SERVICES

Adrienne J. Tissier, Vice Chair
San Mateo County

Tom Azumbrado
U.S. Department of Housing
and Urban Development

Tom Bates
Cities of Alameda County

Dear Broker(s):

Dean J. Chu
Cities of Santa Clara County

Dave Cortese
Association of Bay Area Governments

Chris Daly
City and County of San Francisco

Bill Dodd
Napa County and Cities

Dorene M. Giacomini
U.S. Department of Transportation

Federal D. Glover
Contra Costa County

Anne W. Halsted
San Francisco Bay Conservation
and Development Commission

The Metropolitan Transportation Commission (MTC), in association with the Bay Area Air Quality Management District (Air District) and the Association of Bay Area Governments (ABAG), hereinafter referred to as “Agencies”, is requesting proposals from qualified and California licensed commercial real estate brokerage firm(s), hereinafter referred to as “Broker”, with qualified personnel having previous experience in providing commercial real estate brokerage services for governmental and/or corporate clients.

This letter, together with its enclosures, comprises the Request for Proposal (RFP) for the Commercial Real Estate Broker Tenant Representative Services. You may download a copy of the RFP from MTC’s website at <http://www.mtc.ca.gov/jobs/>. Responses should be submitted in accordance with the instructions set forth in this RFP.

Proposal Due Date

Interested firms must submit one (1) original unbound containing original signatures, six (6) copies, and an electronic PDF/Word (on DVD or CD) version of their proposal, by **4:00 pm, Monday, January 3, 2011**. *Proposals received after that date and time will not be considered.* Proposals shall be considered firm offers to provide the services described for a period of ninety (90) days from the time of submittal.

MTC Point of Contact

Teri Green will be MTC’s Project Manager and point of contact for this contract. Proposals and all inquiries relating to this RFP shall be submitted to Teri Green, Project Manager, at the address shown below. For telephone inquiries, call (510) 817-5750. E-mail inquiries may be directed to tgreen@mtc.ca.gov.

Teri Green, Project Manager
Metropolitan Transportation Commission
Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700

Steve Heminger
Executive Director

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Deputy Executive Director, Policy

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Santa Clara County

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Cities of Contra Costa County

James P. Spering
Solano County and Cities

Bijan Sartipi
State Business, Transportation
and Housing Agency

Jon Rubin
San Francisco Mayor’s Appointee

Jake Mackenzie
Sonoma County and Cities

Sue Lempert
Cities of San Mateo County

Steve Kinsey
Marin County and Cities

Minimum Qualifications

Proposals must demonstrate that the Broker(s) 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 Managing Principal (Lead Broker) and other key real estate professional(s) assigned to the contract must be licensed real estate brokers in the state of California.
2. Broker must have an office, which has been continuously operated for the last five (5) years, in a location within the nine Bay Area counties.
3. The Managing Principal assigned to the contract and responsible for the coordination and execution of the work must have a minimum of ten (10) years experience and a proven track record of providing commercial real estate brokerage transactional services involving large scale commercial properties for governmental and/or corporate clients.
4. Each real estate professional assigned to this contract must have a minimum of seven (7) years experience in their respective area(s) of expertise. All other assigned professionals must have a minimum of five (5) years experience in their respective area(s) of expertise.

Scope of Work, Budget and Schedule

A preliminary scope of work for the project is provided in *Appendix A, Preliminary Scope of Work*.

MTC expects that compensation for the scope of services shall be through commercial real estate contractor commissions paid by third party associations (building owners or agents) contingent upon the close of escrow resulting from a real estate transaction. The Broker will be expected to disclose in their submittal any non-commission fees/compensation due to the Broker that the Broker would require from the Agencies and under what circumstances these fees might apply.

MTC expects the work to commence on or about February 14, 2011, and be completed no later than, December 31, 2011. At MTC's sole option, the contract may be extended for two additional one year periods for work related to the *Appendix A, Preliminary Scope of Work*.

Proposers' Conference and Requests for Clarification or Exceptions

A Proposers' conference will be held at 2:00 p.m. on Monday, December 13, 2010 at the Joseph P. Bort MetroCenter Building, 101 8th Street, Oakland, in MTC Auditorium. If you can not attend in person, you may call into the Proposers' conference. Please contact the MTC Project Manager in advance for the conference call phone number and pass-code.

Any addendum will be posted on MTC's website. All potential bidders are responsible for checking the website for any addendum to the bid documents.

Any requests for clarification of or exceptions to RFP requirements must be received by MTC no later than 4:00 p.m., Wednesday, December 15, 2010, to guarantee response or consideration.

Proposal Evaluation

Proposals will be evaluated in accordance with the evaluation factors listed in *Section IV* of this RFP. MTC reserves the right to accept or reject any or all proposals submitted, waive minor irregularities in proposals, request additional information or revisions to offers, and to negotiate with any or all Brokers. Any contract award will be to the firm that presents the proposal that, in the opinion of MTC, is the most advantageous to MTC, based on the evaluation criteria in *Section IV*.

Broker(s) Selection Timetable

2:00 p.m., Monday, December 13, 2010	Proposers' Conference in the Auditorium at Joseph P. Bort MetroCenter 101 Eighth Street, Oakland, CA 94607
4:00 p.m., Wednesday, December 15, 2010	Closing date/time for receipt of requests for clarification/exceptions
No later than three (3) working days prior to the date proposals are due.	Deadline for protesting RFP provisions
4:00 pm, Monday, January 3, 2011	Closing date/time for receipt of proposals
Week of January 17th, 2011	Interviews/Discussions (if held)
Tuesday, January 25, 2011	Date for receipt of Best and Final Offers (if required)
February 9, 2011 (approximate)	MTC Administration Committee Approval

General Conditions

MTC will not reimburse any Brokers for costs related to preparing and submitting a proposal.

All materials submitted by Brokers are subject to public inspection under the California Public Records Act (Government Code § 6250 *et seq.*).

MTC reserves the right in its sole discretion in consultation with the Agencies to not to enter into any contract as a result of this RFP. At their sole option MTC, the Air District, and/or ABAG, or any combination of the three agencies may utilize the Broker selected under this RFP on an

individual Agency basis, at the same terms and conditions included in this RFP and, in the Brokers proposal.

A synopsis of MTC's contract provisions is enclosed for your reference as *Appendix D*. MTC will attach all applicable clauses to the Broker provided agreement.

The selected Broker will be required to maintain insurance coverage, during the term of the contract, at the levels described in *Appendix D*. Broker agrees to provide the required certificates of insurance providing verification of the minimum insurance requirements listed in *Appendix D-1, Insurance Requirements*, within five (5) days of MTC's notice to firm that it is the successful Broker. Requests to change MTC's insurance requirements should be submitted on or prior to the closing date for receipt of requests for clarifications/exceptions listed above. MTC will review the requests and issue an addendum if material changes requested by a prospective Broker are acceptable. Objections to MTC determinations on requests to change insurance requirements must be brought to MTC's attention no later than the date for protesting RFP provisions above. If such objections are not brought to MTC's attention consistent with the protest provisions of this RFP, compliance with all material insurance requirements will be assumed.

Authority to Commit MTC

Based on an evaluation conducted by an evaluation panel, and should the selection be recommended by that panel the Executive Director will recommend a Broker to the MTC Administration Committee, which will commit MTC to the expenditure of funds in connection with this RFP.

Thank you for your interest.

Sincerely,



Steve Heminger
Executive Director

SH:TG

REQUEST FOR PROPOSALS

to the

METROPOLITAN TRANSPORTATION COMMISSION

for

COMMERCIAL REAL ESTATE BROKERAGE SERVICES

December 3, 2010

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700

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I. Background and Project Description

A. Background

This Request for Proposals (RFP) is seeking proposals from qualified California-licensed real estate brokerage firms, to serve as the Broker, assisting the Metropolitan Transportation Commission (MTC), Bay Area Air Quality Management District (Air District), and the Association of Bay Area Governments (ABAG), hereinafter referred to as “Agencies” in the acquisition of office building/space to co-locate the three agencies.

MTC currently employs 200 employees and ABAG currently employs 77 employees. The two agencies are partial owners, through a condominium ownership structure, of a 77,121 gross sq. ft. building at 101 Eighth Street in Oakland. There is no outstanding real estate debt on the property. Within this building, MTC occupies approximately 50,000 sq. ft. of space and ABAG occupies approximately 17,000 sq. ft. of space. BART holds a ground lease on the property and has first right of refusal for owning or leasing space vacated by MTC or ABAG. The Air District currently employs approximately 343 full time employees, about 200 of whom work in the Air District headquarters office at 939 Ellis Street in San Francisco. The Air District owns the 82,212 gross sq. ft. building unencumbered by any outstanding debt. Other Air District employees, primarily air quality inspectors and staff who conduct air quality testing and monitoring, work out of small leased office spaces elsewhere within the nine-county Bay Area.

The Air District, on behalf of the Agencies, contracted with CB Richard Ellis (CBRE) for Tenant Advisory Services to develop a strategy for a potential three-agency regional facility. Their work included an analysis of each agency’s existing facilities, operational requirements, sustainability and environmental objectives, and financial objectives. Preliminary real estate criteria were developed and tested in the Oakland and San Francisco real estate markets to test the feasibility of the proposed strategy. Please see *Appendix E, Strategic Facilities Planning Project Phase II Study* for more information. The Agencies prefer a purchase option over leasing.

MTC is the lead agency, working in association with the Air District and ABAG, for the next phase of the project.

B. Project Objectives and Description

The overarching objective of this project is to assist the Agencies with the search and site selection of real estate option(s) in the Oakland and San Francisco markets for purchase and/or lease, presenting these options and recommendation(s) for approval by each Agency’s governing board, and negotiating a final real estate transaction including the closing of escrow. At the option of each Agency, the Broker may be hired to assist with project management services (i.e. planning, design, relocation) or the disposition of the existing real estate assets. Such decision will be separately made and negotiated by each Agency and nothing in this RFP shall bind any Agency to hire Broker for such purpose.

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 broker services. As such, proposals must demonstrate that the Broker(s) 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 professional(s) assigned to the contract must be licensed real estate brokers in the state of California.
2. Brokerage firm must have an office, which has been continuously operated for the last five (5) years, in a geographical area(s) 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 (10) years experience and a proven track record of in providing commercial real estate brokerage transactional services involving large scale commercial properties for governmental and/or corporate clients.
4. Each real estate professional assigned to this contract must have a minimum of seven (7) years experience in their respective area(s) of expertise. All other assigned professionals must have a minimum of five (5) years experience in their respective area(s) of expertise.

II. Scope of Work

A. Scope of Work

The preliminary scope of work for the project is provided in *Appendix A, Preliminary Scope of Work*. The selected Broker will be expected to perform all work and analysis necessary to complete the scope of work.

B. Period of Performance

MTC expects the work to commence on or about February 14, 2011 and be completed no later than December 31, 2011. At MTC's sole option, the contract may be extended for two additional one year periods for work related to *Appendix A, Preliminary Scope of Work*.

C. Compensation

MTC expects that compensation for services listed in Appendix A, Preliminary Scope of Work, Section B, Real Estate Transaction shall be through real estate commissions paid by third party associations (building owners or agents) contingent upon the close of escrow resulting from a real estate transaction. The Broker will be expected to disclose in their submittal any compensation due to the Broker that the Broker would require from the Agencies and under what

circumstances these fees might apply should there be no real estate transaction resulting from the Broker's services.

D. Personnel

Any change in staff persons identified in the contract is subject to the approval of MTC. Removal by the Broker(s) of any staff persons identified in the contract without written consent of the MTC Project Manager may be considered a material breach of contract.

III. Proposal Form

Interested firms must submit one (1) original unbound containing original signatures, six (6) copies, and one electronic PDF/Word (on DVD or CD) version of their proposal, by **4:00 pm, Monday, January 3, 2011**, to be considered. Proposal content and completeness are most important. Clarity is essential and will be considered in assessing the Broker's capabilities.

In furtherance of MTC's resource conservation policy, Brokers are asked to print proposals back to back and are encouraged to use recycled paper for all proposals and reports.

Each proposal should include:

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 9-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 I.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 professional(s), 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/or leasing transactions that occurred any time during the five (5) year period beginning November 1, 2005 and ending November 30, 2010 wherein the firm, the Managing Principal or other real estate professional(s) on the proposed team were involved as the Tenant Representative. Also identify the client as either 1) government entity or 2) corporate client. The Managing Principal or real estate professional(s) on the proposed team are not restricted to experience and performance with a specific firm.
4. Business References: Provide a minimum of five (5) 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 and/or Real Estate Professional(s) 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, Sections A and B Minimum Requirements and Real Estate Transaction Services*, respectively. 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, Section C*. The proposed work plan should include, but not be limited to, 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 project.
3. A detailed plan of the proposed approach and available tools to market and identify real estate options and the process for evaluating these options, and developing a short list and recommendations for review and approval by each Agency’s governing body.

4. A proposed timeline and schedule for completing Section B, subtasks 1-4 of *Appendix A, Preliminary Scope of Work*.
5. A discussion of any experience representing multi-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 experience with identifying properties using sustainable building practices and how they were implemented into other projects.
7. A discussion of any other essential data that may assist in the evaluation of the proposal.
8. Provide copies of any agreements that MTC will be required 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 percentage for the services outlined in the preliminary scope of work, *Appendix A, Preliminary Scope of Work*, Sections A and B, Preliminary Requirements and Real Estate Transaction Services, respectively. The compensation schedule submitted on *Appendix B, Compensation Schedule*, shall be guaranteed by the Broker for the maximum term of the contract, and any extensions thereof. Compensation is contingent upon the close of escrow resulting from a real estate transaction.

The Broker should include a compensation schedule for any non-commission fees due to the Broker and identify under what circumstances these fees might apply.

The Broker's compensation schedule shall include all costs/fees that Broker will be assessed. Broker shall warrant that quoted fees are the only compensation (direct or indirect) that he/she will receive from transactions completed under this RFP.

H. Conflict of Interest

Full disclosure of any potential conflicts of interest as they relate to any/specific transactions must be identified to MTC, the Air District, and ABAG. The Broker(s), 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 and all buildings or properties in which the Broker(s) has any formal relationship or agency.
2. Broker must fully disclose any personal or family financial involvement or ownership in potential properties.
3. Broker should warrant that quoted fees are the only compensation (direct or indirect) that

he/she or it will receive from this transaction.

4. In the event that the Agencies evaluate building(s) for which the selected Broker is the representative for or has an ownership interest in, the Agencies have the right to bring in another advisor to review the transaction. The Broker shall reimburse MTC, the Air District, or ABAG for retention of a third party review of the transaction.
5. 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.

I. California Levine Act Statement

Submit a signed Levine Act statement (*Appendix C*).

J. Insurance Provisions Document

Submit a signed Insurance Provisions Document (*Appendix D-1*).

IV. Proposal Evaluation

A. Verification of Minimum Qualifications and Review for General Responsiveness

The Project Manager, in consultation with the MTC Office of General Counsel, will conduct an initial review of the proposals for general responsiveness and inclusion of the items requested in *Section III*. Brokers failing to meet the minimum qualifications set out in *Section I.C*, Minimum Qualifications, will not be considered responsive and will not be evaluated. Also, any proposal that does not include enough information to permit the evaluators to rate the proposal in any one of the evaluation factors listed below will be considered non-responsive and will not be evaluated. A proposal that fails to include one or more items requested in *Section III*, Form of Proposal may be considered responsive, if evaluation in every criterion is possible. MTC reserves the right to request additional information from responsive Brokers prior to evaluation.

MTC reserves the right to accept or reject all proposals submitted, waive minor irregularities, request additional information or revisions to offers, and negotiate with any or all Brokers.

B. Evaluation Criteria

Responsive proposals will then be evaluated by a panel of MTC, Air District, and ABAG staff. The evaluation criteria (and their relative importance displayed as % weights) are listed in Table 1 below.

Table 1. Evaluation Criteria

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%

C. Broker Discussions

Following the initial evaluation, the panel may elect to recommend award to a particular Broker (with or without interviews), or to enter into discussions with a “short list” of Brokers, consisting of those Brokers reasonably likely, in the opinion of the panel, to be awarded the contract.

The purpose of discussions with a Broker on the “short list” will be to identify to that Broker specific deficiencies and weaknesses in its proposal and to provide the Broker with the opportunity to consider possible approaches to alleviating or eliminating them. These deficiencies or weaknesses may include such things as technical issues, management approach, cost, or team composition. Discussions may take place through written correspondence and/or during face-to-face interviews. The Broker’s Project Manager, as well as other key personnel identified by the evaluation panel, will be expected to participate in any discussions. A Broker on the “short list” invited to participate in discussions will be expected to provide a presentation limited to 20 minutes consisting of an overview of its approach to the Project.

D. Request for Best and Final Offer

Following discussions, if held, Brokers on the “short list” will be given the opportunity to revise their written proposals to address the concerns raised during discussions through issuance of Request for Best and Final Offer (BAFO). Following receipt of the BAFOs, the evaluation panel will evaluate the BAFOs against the evaluation criteria.

MTC reserves the right not to convene oral interviews or discussions, and to make an award on the basis of initial proposals without requiring a BAFO. References may be contacted at any point in the evaluation process.

The panel will recommend a Broker to the MTC Executive Director, based on their evaluation of the written proposals or BAFOs and oral interviews or discussions (if held). The Executive Director will review the recommendation and, if he agrees, forward the recommendation to the MTC Administration Committee for approval.

MTC reserves the right to accept or reject all proposals submitted, waive minor irregularities, request additional information, or revisions to offers, and negotiate with any or all Brokers.

V. General Conditions

A. Limitations

This RFP does not commit MTC to award a contract or to pay any costs incurred in the preparation of a proposal in response to this RFP.

B. Award

All finalists may be required to participate in negotiations and to submit such price, technical, or other revisions of their proposals as may result from negotiations. MTC also reserves the right to award the contract without discussion, based upon the initial proposals. Accordingly, each initial proposal should be submitted on the most favorable terms from a price and a technical viewpoint. Any award made will be to the Broker(s) whose proposal is most advantageous to MTC based on the evaluation criteria outlined above.

C. Binding Offer

A signed proposal submitted to MTC in response to this RFP shall constitute a binding offer from Broker(s) to contract with MTC according to the terms of the proposal for a period of ninety (90) days after its date of submission, which shall be the date proposals are due to MTC.

D. Contract Arrangements

1. MTC Contract Provisions

A synopsis of MTC's contract provisions is enclosed for your reference as *Appendix D*. MTC will attach all applicable clauses to the Broker provided agreement.

The selected Broker(s) will be required to maintain insurance coverage, during the term of the contract, at the levels described in *Appendix D-1, Insurance Requirements*. Broker(s) agrees to provide the required certificates of insurance providing verification of the minimum insurance requirements in *Appendix D-1*, within five (5) days of MTC's notice that it is the successful Broker. Requests to change MTC's insurance requirements should be submitted on or prior to the closing date for receipt of requests for clarifications/exceptions listed above. MTC will review the requests and issue an addendum if material changes requested by a prospective Broker are acceptable. Objections to MTC determinations on requests to change insurance requirements must be brought to MTC's attention no later than the date for protesting RFP provisions listed above. If such objections are not brought to MTC's attention consistent with the protest provisions of this RFP, compliance with all material insurance requirements will be assumed.

2. Stand Alone Option

At their sole option MTC, the Air District, and/or ABAG, or any combination of the three agencies may utilize the Broker selected under this RFP on an individual Agency basis, at the same terms and conditions included in this RFP and, in the Brokers proposal.

E. Selection Disputes

A Broker may object to a provision of the RFP on the grounds that it is arbitrary, biased, or unduly restrictive, or to the selection of a particular Broker(s) on the grounds that MTC procedures, the provisions of the RFP or applicable provisions of federal, state or local law have been violated or inaccurately or inappropriately applied by submitting to the Project Manager a written explanation of the basis for the protest:

- 1) No later than five (5) working days prior to the date proposals are due, for objections to RFP provisions;
- 2) No later than three (3) working days after the date the firm/team is notified that it did not meet the minimum qualifications, or was found to be non-responsive; or
- 3) No later than three (3) working days after the date on which contract award is authorized by the Administration Committee or the date notified that it was not selected, whichever is later, for objections to Broker(s) selection.

Except with regard to initial determinations of non-responsiveness or failure to meet the minimum requirements, the evaluation record shall remain confidential until the MTC Administration Committee authorizes award.

Protests of recommended awards must clearly and specifically describe the basis for the protest in sufficient detail for the MTC review officer to recommend a resolution to the Executive Director.

The Executive Director will respond to the protest in writing, based on the recommendation of a staff review officer. Authorization to award a contract to a particular Contractor by MTC's Administration Committee shall be deemed conditional until the expiration of the protest period or, if a protest is filed, the issuance of a written response to the protest by the Executive Director.

Should the Broker wish to appeal the decision of the Executive Director, it may file a written appeal with the MTC Administration Committee, no later than three (3) working days after receipt of the written response from the Executive Director. The Administration Committee's decision will be the final agency decision.

F. Public Records

This RFP and any material submitted by a Broker in response to this RFP are subject to public inspection under the California Public Records Act (Government Code § 6250 *et seq.*), unless

exempt by law. Proposals will remain confidential until the Administration Committee has authorized award.

APPENDIX A - PRELIMINARY SCOPE OF WORK

A. Minimum Requirements

The principal responsibility of the selected Broker is to provide commercial real estate brokerage services with regard to the acquisition of a new regional government facility in the Oakland or San Francisco market to co-locate the Metropolitan Transportation Commission (MTC), the Bay Area Air Quality Management District (Air District) and the Association of Bay Area Governments (ABAG), hereinafter referred to as “Agencies” that meet the following minimum real estate requirements:

- Minimum 150,000 - 200,000 square feet or more, contiguous space, general office use
- Publicly accessible Board Room and other conference meeting rooms
- Located in close proximity to BART and other transit options
- Upon occupancy, Energy Efficient building (*LEED Certified preferred*)
- Upon occupancy, building must meet code requirements for seismic, life safety, ADA and all other applicable codes
- Availability of parking on-site or nearby
- Upon occupancy, specialized space such as Secured Server Room(s) and Emergency Operations Center (EOC)
- Purchase option preferred over leasing

B. Real Estate Transaction Services

The services the Broker may perform include, but are not limited to, the following:

1. Confirm Real Estate Requirements: Review existing studies and documentation and re-confirm the Agencies major real estate assumptions and requirements that will be incorporated into the site search and selection task.
2. Develop Marketing Materials: Prepare draft marketing materials to solicit building owners, developers interested in selling and/or leasing an office building located in the Oakland and San Francisco markets. The materials shall specify minimum building program requirements, including, but not limited to, location criteria, total floor area, optimum floor plate size, special operational features and requirements, schedule for completion and financial requirements. Broker will conduct any pre-proposal conferences and shall be responsible for responding to all inquiries.
3. Site Search and Site Selection: Market real estate opportunity to brokers and other resources with property listings in the Oakland and San Francisco markets. Receive and conduct initial assessment of all responses including building specifications, design and construction, evaluate for seismic retrofit, ADA

compliance and sustainability measures, public transportation requirement, fire life/safety regulations. Coordinate and conduct site tours for Agency staff.

4. Proposal Evaluation/Short List Recommendation: Broker will review and evaluate all submitted proposals and conduct due diligence to confirm the merits of any proposal received. Broker will confirm all costs associated with acquiring each building under consideration; determine amount of improvement necessary and costs associated with having buildings in move in condition; prepare property valuation estimates; prepare project-specific financial and acquisition analysis. Broker will identify and recommend a short-list of options for review by the Agencies.
5. Board Presentations/Approval to Proceed: Review of short-list will involve multiple presentations to each agency's executive staff and governing boards for consideration before proceeding with any real estate property negotiations.
6. Negotiations: Upon approval to proceed, Broker will develop, present and obtain pre-approval of the real estate negotiation strategies and principles by the MTC Project Manager and/or her designee. Conduct negotiations to secure the best possible real estate transaction with maximum incentives and concessions consistent with professional ethics and the market conditions. Broker must provide written documentation of the negotiation process, terms of agreements, Letters of Intent, etc.
7. Final Recommendation: Broker will present the terms and conditions for the recommended final option for review and approval and will involve multiple presentations to each participating agency's executive staff and governing boards for consideration.
8. Escrow / Documentation: Broker will prepare and/or coordinate the completion of required documentation to finalize the approved real estate transaction.

C. Optional Services:

At their sole option, each individual Agency may utilize the selected Broker to provide the following services under separately negotiated agreements:

1. Project Management Services: Broker may be requested to oversee, coordinate and monitor, on behalf of the Agencies, efforts to relocate the Agencies into the new space. Services shall include, but not limited to, architecture/engineering, programming, construction management, move/relocation management services.
2. Disposition of Current Facilities: Broker may be requested to coordinate the disposition of the existing facilities currently owned by MTC, Air District and ABAG.

Each agency may enter into a sale or long-term lease for the headquarter building currently occupied by the agency in conjunction with purchase or lease of a new headquarters property:

- The Air District may sell or lease its current headquarters building located at 939 Ellis Street in the City of San Francisco.
- MTC and ABAG may sell or lease its current headquarters building or proportionate ownership thereof located at 101 Eighth Street in the City of Oakland.

APPENDIX B - COMPENSATION SCHEDULE

MTC expects that compensation for services listed in Appendix A, Preliminary Scope of Work, Section B, Real Estate Transaction shall be through real estate commissions paid by third party associations (building owners or agents) contingent upon the close of escrow resulting from a real estate transaction. The Broker will be expected to disclose in their submittal any compensation due to the Broker that the Broker would require from MTC and under what circumstances these fees might apply should there be no real estate transaction resulting from the Broker's services. Compensation is contingent upon the close of escrow.

Broker should provide a compensation schedule that clearly defines and details 1) all costs associated with the scope of work that the Broker will receive in the form of Commission; and 2) any non-commission fees that the Agencies will be required to pay and to identify under what circumstances these fees will apply.

For comparison purposes, the Broker may assume typical fees for 150,000 sq ft building valued at \$30,000,000 for the following:

1. Purchase Option
2. Lease Option
3. Non-Commission Fees
4. Other Applicable Fees

APPENDIX C- CALIFORNIA LEVINE ACT STATEMENT

California Government Code § 84308, commonly referred to as the “Levine Act,” precludes an officer of a local government agency from participating in the award of a contract if he or she receives any political contributions totaling more than \$250 in the 12 months preceding the pendency of the contract award, and for three months following the final decision, from the person or company awarded the contract. This prohibition applies to contributions to the officer, or received by the officer on behalf of any other officer, or on behalf of any candidate for office or on behalf of any committee.

MTC’s commissioners include:

Tom Azumbrado
Tom Bates
Dave Cortese
Dean J. Chu
Chris Daly
Bill Dodd

Dorene M. Giacomini
Federal D. Glover
Scott Haggerty
Anne W. Halsted
Steve Kinsey
Sue Lempert
Jake Mackenzie

Jon Rubin
Bijan Sartipi
James P. Spring
Adrienne J. Tissier
Amy Rein Worth
Ken Yeager

Air District’s Board of Directors include:

Brad Wagenknecht
Harold Brown Jr.
Carole Groom
David Hudson
Liz Kniss
Gavin Newsom
Pamela Torliatt
Shirlee Zane

Tom Bates
Chris Daly
Scott Haggerty
Ash Kalra
Eric Mar
Mark Ross
Gayle B. Uilkema

John Gioia
Susan Garner
Jennifer Hosterman
Carol Klatt
Nate Miley
Jim Spring
Ken Yeager

ABAG’s Executive Board members include:

Gail Steele
John Gioia
John Avalos
Carole Groom
Barbara Kondylis
Mark Green
Carole D. Knutson
Nancy Kirshner Rodriquez
Dan Furtado
Pamela Torliatt
Nancy Nadel
Ash Kalra

Scott Haggerty
Susan Adams
Ross Mirkarimi
Ken Yeager
Mike Kerns
Julie Pierce
Jack Gingles
A. Sepi Richardson
Joe Pirzynski
Jean Quan
Sam Liccardo
Terry Young

Gayle Uilkema
Mark Luce
Rose J. Gibson
Dave Cortese
Beverly Johnson
Joanne Ward
Gavin Newsom
Richard Garbarino
Len Augustine
Jane Brunner
Kansen Chu

1. Have you or your company, or any agent on behalf of you or your company, made any political contributions of more than \$250 to any MTC commissioner, Air District Board of Director or ABAG Executive Board member in the 12 months preceding the date of the issuance of this request for qualifications?

YES NO

If yes, please identify the commissioner, director and/or member: _____

2. Do you or your company, or any agency on behalf of you or your company, anticipate or plan to make any political contributions of more than \$250 to any MTC commissioner, Air District Board of Director or ABAG Executive Board member in the three months following the award of the contract?

YES NO

If yes, please identify the commissioner, director, and/or member:

Answering yes to either of the two questions above does not preclude MTC from awarding a contract to your firm. It does, however, preclude the identified commissioner(s) from participating in the contract award process for this contract.

DATE

(SIGNATURE OF AUTHORIZED OFFICIAL)

(TYPE OR WRITE APPROPRIATE NAME, TITLE)

(TYPE OR WRITE NAME OF COMPANY)

Appendix D - SYNOPSIS OF PROVISIONS IN MTC'S STANDARD AGREEMENT

A synopsis of MTC's contract provisions is enclosed herein for your reference as *Appendix D*. MTC will attach all applicable clauses to the Broker provided agreement.

Termination: MTC may, at any time, terminate the Agreement upon written notice to Broker(s). Upon termination, MTC will reimburse the Broker(s) for its costs for incomplete deliverables up to the date of termination. Upon payment, MTC will be under no further obligation to the Broker(s). If the Broker(s) fails to perform as specified in the agreement, MTC may terminate the agreement for default by written notice following a period of cure, and the Broker(s) is then entitled only to compensation for costs incurred for work products acceptable to MTC, less the costs to MTC of rebidding.

Insurance Requirement: See *Appendix C-1, Insurance Requirements*, attached hereto.

Independent Contractor: Broker(s) is an independent contractor and has no authority to contract or enter into any other agreement in the name of MTC. Broker(s) shall be fully responsible for all matters relating to payment of its employees including compliance with taxes.

Indemnification: Broker(s) agrees to defend, indemnify and hold MTC, and their directors, commissioners, officers, representatives, agents and employees harmless from all claims, damages, liability, and expenses resulting from any negligent or otherwise wrongful act or omission of Broker(s) in connection with the agreement. Broker(s) agrees to defend any and all claims, lawsuits or other legal proceedings brought against MTC arising out of such negligent or wrongful acts or omissions. The Broker(s) shall pay the full cost of the defense and any resulting judgments.

Data Furnished by MTC: All data, reports, surveys, studies, drawings, software (object or source code), electronic databases, and any other information, documents or materials ("MTC Data") made available to the Broker(s) by MTC for use by the Broker(s) in the performance of its services under this Agreement shall remain the property of MTC and shall be returned to MTC at the completion or termination of this Agreement. No license to such MTC Data, outside of the Scope of Work of the Project, is conferred or implied by the Broker(s)'s use or possession of such MTC Data. Any updates, revisions, additions or enhancements to such MTC Data made by the Broker(s) in the context of the Project shall be the property of MTC.

Ownership of Work Product: All data, reports, surveys, studies, drawings, software (object or source code), electronic databases, and any other information, documents or materials ("Work Product") written or produced by the Broker(s) under this Agreement and provided to MTC as a deliverable shall be the property of MTC. Broker(s) will be required to assign all rights in copyright to such Work Product to MTC.

Personnel and Level of Effort: Personnel assigned to this Project and the estimated number of hours to be supplied by each will be specified in an attachment to the Agreement. No substitution of personnel or substantial decrease of hours will be allowed without prior written approval of MTC.

Subcontracts: No subcontracting of any or all of the services to be provided by Broker(s) shall be allowed without prior written approval of MTC. MTC is under no obligation to any subcontractors.

Broker(s)'s Records: Broker(s) shall keep complete and accurate books, records, accounts and any and all work products, materials, and other data relevant to its performance under this Agreement. All such records shall be available to MTC for inspection and auditing purposes. The records shall be retained by Broker(s) for a period of not less than four (4) years following the fiscal year of the last expenditure under this Agreement.

Prohibited Interest: No member, officer or employee of MTC can have any interest in this agreement or its proceeds and Broker(s) may not have any interest which conflicts with its performance under this Agreement.

Governing Law. The Agreement shall be governed by the laws of the State of California.

APPENDIX D-1 - INSURANCE REQUIREMENTS

Minimum Insurance Coverages. BROKER(S) shall, at its own expense, obtain and maintain in effect at all times the following types of insurance against claims, damages and losses due to injuries to persons or damage to property or other losses that may arise in connection with the performance of work under this Agreement, placed with insurers with a Best's rating of A-X or better.

Yes (√)	Please certify by checking the boxes at left that required coverages will be provided within five (5) days of MTC's notice to firm that it is the successful Broker.
—	Workers' Compensation Insurance in the amount required by the applicable laws, and Employer's Liability insurance with a limit of not less than \$1,000,000 per employee and \$1,000,000 per occurrence, and any and all other coverage of BROKER(S)'s employees as may be required by applicable law. Such policy shall contain a Waiver of Subrogation endorsement in favor of MTC. Such Workers Compensation & Employers Liability may be waived, if and only for as long as BROKER(S) is a sole proprietor with no employees.
—	Commercial General Liability Insurance for Bodily Injury and Property Damage liability, covering the operations of BROKER(S) and BROKER(S)'s officers, agents, and employees and with limits of liability which shall not be less than \$1,000,000 combined single limit per occurrence with a general aggregate liability of not less than \$2,000,000, and Personal & Advertising Injury liability with a limit of not less than \$1,000,000. Expense for Indemnitee's defense costs shall be outside of policy limits and such policy shall be issued on a Duty to Defend Primary Occurrence Form.
—	Business Automobile Insurance for all automobiles owned, used or maintained by BROKER(S) and BROKER(S)'s officers, agents and employees, including but not limited to owned, leased, non-owned and hired automobiles, with limits of liability which shall not be less than \$1,000,000 combined single limit per occurrence.
—	Umbrella Insurance in the amount of \$2,000,000 providing excess limits over Employer's Liability, Automobile Liability, and Commercial General Liability Insurance.
—	Errors and Omissions Professional Liability Insurance (if applicable) in an amount no less than \$2,000,000. If such policy is written on a "Claims-Made" (rather than an "occurrence") basis, BROKER(S) agrees to maintain continuous coverage in effect from the date of the commencement of services to at least three (3) years beyond the termination or completion of services or until expiration of any applicable statute of limitations, whichever is longer. The policy shall provide coverage for all work performed by the BROKER(S) and any work performed or conducted by any subcontractor/Broker(s) working for or performing services on behalf of the BROKER(S). No contract or agreement between the BROKER(S) and any subcontractor/consultant(s) shall relieve the BROKER(S) of the responsibility for providing this Errors & Omissions or Professional Liability coverage for all work performed by the BROKER(S) and any subcontractor/consultant(s) working on behalf of the BROKER(S) on the

	project.
<p>_____</p>	<p>Property Insurance covering BROKER(S)'S own business personal property and equipment to be used in performance of this Agreement, materials or property to be purchased and/or installed on behalf of MTC (if any), debris removal, and builders risk for property in the course of construction (if applicable). Coverage shall be written on a "Special Form" ("All Risk") that includes theft, but excludes earthquake, with limits at least equal to the replacement cost of the property. Such policy shall contain a Waiver of Subrogation in favor of MTC. If such insurance coverage has a deductible, the BROKER(S) shall also be liable for the deductible.</p>
<p>Deductibles: Any deductibles or self-insurance retentions over \$100,000 are subject to the approval of MTC.</p> <p>Notice of Termination: All Contractor policies shall provide that the insurance carrier shall give written notice to MTC at least 60 days prior to cancellation, non-renewal or material change of coverage in the policy or policies, and shall provide notice of such change to MTC and any other additional insured.</p> <p>Additional Provisions: Each policy or policies of insurance described in Commercial General Liability Insurance, above shall contain the following provisions:</p> <ul style="list-style-type: none"> • Inclusion of MTC, its commissioners, officers, representatives, agents and employees, as additional insured's with respect to work or operations in connection with this Agreement. • Endorsement providing that such insurance is primary insurance and no insurance of MTC will be called on to contribute to a loss. <p>Certificates of Insurance: Promptly on execution of this Agreement and prior to commencement of any work hereunder, Contractor shall deliver to MTC Certificates of Insurance verifying the aforementioned coverages. Such certificates shall make reference to all provisions and endorsements referred to above and shall be signed on behalf of the insurer by an authorized representative thereof. Contractor agrees, upon written request by MTC, to furnish copies of such policies or endorsements required under the Agreement prior to the Effective Date of the Agreement.</p> <p>Disclaimer: The foregoing requirements as to the types of limits of insurance coverage to be maintained by Contractor are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Contractor pursuant hereto, including, but not limited to, liability assumed pursuant to Appendix C, Indemnification.</p> <p>Subcontractor's Insurance: Contractor shall require each of its subcontractors to provide the aforementioned coverages, unless such coverages are waived or reduced in writing by the MTC Project Manager.</p>	

By signing below, you acknowledge and agree to provide the required certificate of insurance providing verification of the minimum insurance requirements listed above within five (5) days of MTC's notice to firm that it is the successful Broker.

Representative Name and Title	
Name of Authorizing Official	
Authorized Signature	
Date	

NOTE: If you were unable to check "Yes" for any of the required minimum insurance coverages listed above, a request for exception to the appropriate insurance requirement(s) must be brought to MTC's attention no later than the date for protesting RFP provisions. If such objections are not brought to MTC's attention consistent with the protest provisions of this RFP, compliance with the insurance requirements will be assumed.

APPENDIX E

A circular graphic with a green arc on the left side and the word "STRATEGY" in a light green, sans-serif font in the center. The background of the graphic is a light green with a grid of small dots.

STRATEGY

TENANT ADVISORY PRACTICE Consolidation Strategy for:

The Air District, MTC & ABAG

Strategic Facilities Planning Project Phase II Study

Presented by:

Raul C. Campos
Managing Director
Senior Vice President

Darin R. Bosch
Senior Vice President

Alex Somerville
First Vice President

Brian J. Talbot
Associate

November 17, 2010

SCOPE OF WORK

Activities Completed

The Core Team has completed three segments of work, Needs Analysis, Scenario Planning & Strategy Development, which included the following activities:

- Conducted 26 interviews of executives, senior management and staff to uncover key business drivers, planning objectives and facility needs
- Toured facilities and collected baseline data on operating expenses, future capital expenditures, building efficiency, and current utilization
- Performed in-depth an Market Analysis
- Developed preliminary facility and real estate criteria
- Engaged in Scenario Planning to test proposed alternative strategies
- Developed financial analysis and recommended strategy



KEY ISSUES



The Air District Headquarters

196 Employees
housed in 82K Sq. Ft.

(344 Employees total when current vacancies and field staff are accounted for)

The Building is Obsolete

- The building is 44 years old and has not been extensively renovated in the past 20 years.
- The current layout of space is highly inefficient – averaging 420 sq. ft. per person (compared to an industry average of 225 sq. ft. per person).
- CBRE estimates over **\$300 per sq. ft. to renovate** (HVAC, Fire Sprinklers, ADA compliance, Seismic retrofit & hazardous material abatement)
- The cost to renovate the existing building (more than \$30M) is equivalent to buying a newer facility in move-in condition.**

KEY ISSUES



MTC/ABAG Headquarters

238 Employees
housed in 77K Sq. Ft.

(256 Employees total with 18
housed offsite)

Lack of Growth Space

- The building is in good condition with minimal renovations needed (estimated at \$7.5M)
- The current layout of space is relatively inefficient – averaging 324 sq. ft. per person (compared to a industry average of 225 sq. ft. per person)
- Both MTC and ABAG fully occupy their existing space and ABAG has already expanded off-site
- Providing for additional expansion will require MTC/ABAG to fragment their occupancy into multiple sites
- ***The MTC/ABAG building cannot accommodate further growth***

KEY PLANNING DRIVERS

Strategy Drivers

- Reflect the core values of the combined organizations
 - Improve the efficiency of the facility and “Walk the talk” (improved energy efficiency and sustainability, located close to BART)
- Promote interagency cooperation and initiatives – “One Bay Area” (promote programs and values to stakeholder, customers and public)
- Locate near amenities (urban environment that is convenient to public transportation, retail services and housing)

Fit Drivers




- Provide for current headcount plus modest growth over the next ten years (~10% growth for all agencies combined).
- Minimize disruption to employee and board member commuting patterns and promote the use of BART and other public transportation
- Combine boardrooms for all agencies into a single space and provide additional support space for training, conferences and cafeteria
- Reduce travel for board members serving on multiple boards and committees

Cost Drivers

- All agencies are very cost sensitive
- Owning is preferred to leasing

EMPLOYEE LOCATIONS

Employee Residence by County

COUNTY	 METROPOLITAN TRANSPORTATION COMMISSION	 Association of Bay Area Governments	 BAY AREA AIR QUALITY MANAGEMENT DISTRICT	COMBINED AGENCIES	
Alameda	90 52.3%	40 54.8%	59 23.4%	189	38.0%
Contra Costa	34 19.8%	18 24.7%	41 16.3%	93	18.7%
San Francisco	25 14.5%	10 13.7%	79 31.3%	114	22.9%
San Mateo	5 2.9%	1 1.4%	30 11.9%	36	7.2%
Marin	9 5.2%	2 2.7%	13 5.2%	24	4.8%
Solano	7 4.1%	1 1.4%	7 2.8%	15	3.0%
Sonoma	0 0%	1 1.4%	8 3.2%	9	1.8%
Napa	0 0%	0 0%	3 1.2%	3	.6%
Santa Clara	2 1.2%	0 0%	12 4.8%	14	2.8%
Total	172 100%	73 100%	252 100%	512	100%

TRANSIT COMMUTE EFFECTS

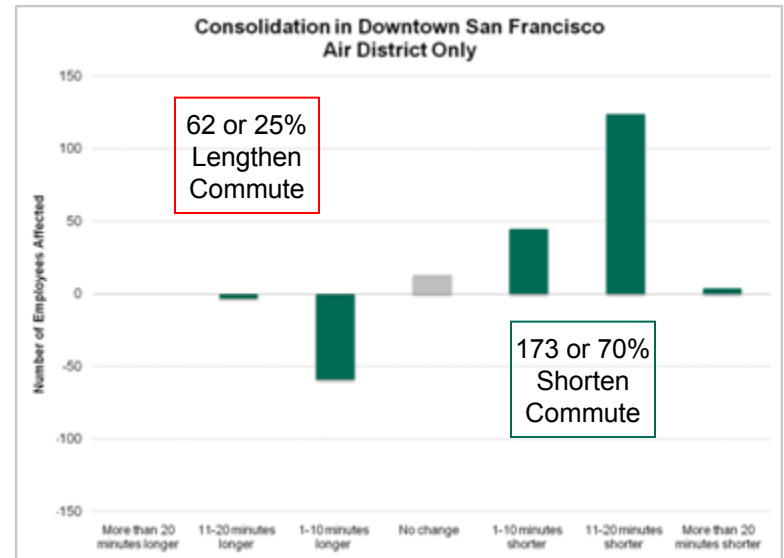
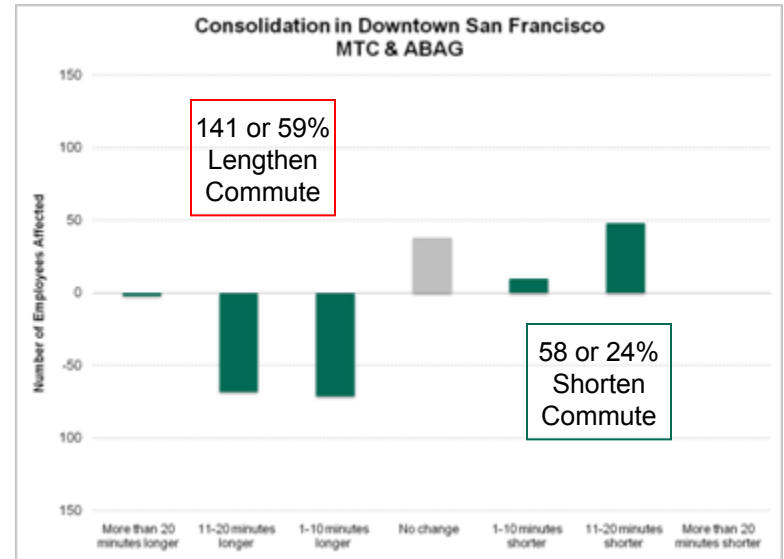
SAN FRANCISCO

Current Avg Commute Time:

51.9 Minutes

Avg Commute Time to SFDT:

48.9 Minutes



TRANSIT COMMUTE EFFECTS

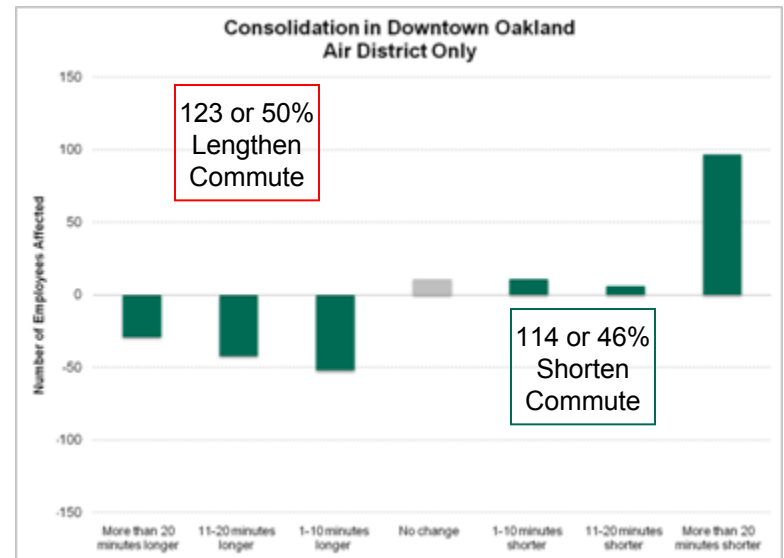
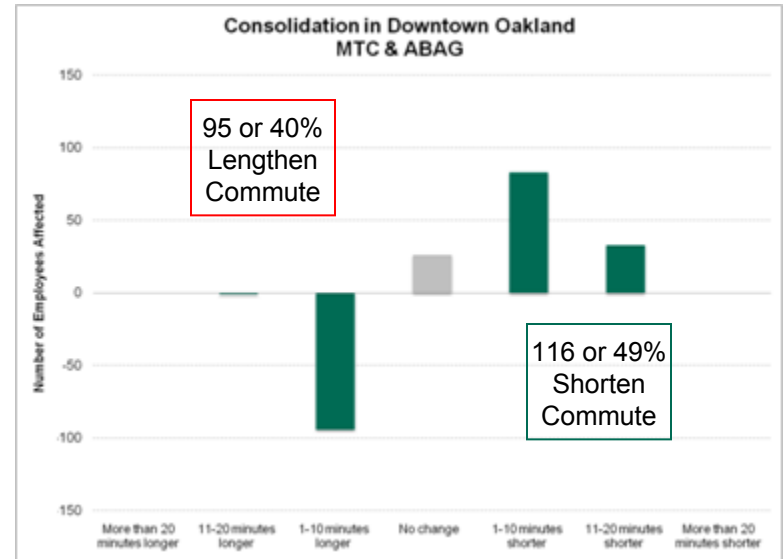
OAKLAND

Current Avg Commute Time:

51.9 Minutes

Avg Commute Time to Oak DT:

48.0 Minutes



STRATEGY

Key Findings

1. Consolidate occupancy

- Supports strategic drivers and promotes interagency synergy
- Benefits from economies of scale
- Carbon footprint reduction of 40% or more

2. San Francisco and Oakland are appropriate locations

- Consolidations in either San Francisco or Oakland with close proximity to BART and other transportation will have little adverse impact on any of the agencies
- Currently, existing opportunities exist in both markets

3. Develop specific options in the Market

- Engage outside support to run a competitive process with existing options
- Team to negotiate a non binding “letter of intent” with best option
- Provide board with results for review and approval of next steps