

**ADDENDUM 1  
STATE OF CALIFORNIA  
DEPARTMENT OF GENERAL SERVICES  
REAL ESTATE SERVICES DIVISION**

**Request for Proposal for  
Commercial Real Estate Consultant Services for  
Procurement of Leased Office Quarters**

Amendments to RFP

1. Item F Litigation, on page 11 in Section 5, Proposal Requirements, is deleted in its entirety and replaced with the following:

*F. Litigation:* Provide a list of any outstanding litigation in which the Lead Contact/Contract Manager and/or any key real estate professionals are named a party.

2. In Exhibit A, Page 24, 5.0 QUALIFICATIONS, Paragraph 2, line eight “at least fifty (25)” is corrected to read “at least twenty-five (25).”
3. The last sentence in the Training paragraph on page 8 and 24 is deleted in its entirety.
4. Section 10 Disabled Veterans Business Enterprise Compliance on page 17 is deleted in its entirety and replaced with the following:

**10. Disabled Veterans Business Enterprise Compliance**

In accordance with Title 2, Administration, Section 1896.62 (b) of the California Code of Regulations, DVBE participation does not apply.

**RFP QUESTIONS**

*The questions and answers listed below are attached hereto and made part of Addendum 1*

1. Is there a current service provider for this contract?

**Yes**

2. Is there a DVBE requirement, or, will any preference be given to a DVBE service provider?

***No. In accordance with Title 2, Administration, Section 1896.62 (b) of the California Code of Regulations, DVBE participation does not***

**apply.**

3. Is a copy of the current service providers original proposal available to view?

**No, a copy does not exist.**

4. We have 1 question as it relates to "Planning/Design Services: "This section has much more detail and includes much more scope ( ie, project evaluation, programming and construction management) than the 2004 RFP. Our question is. "In providing our "proposed commission", is there a lesser estimated percentage of time that the state will require the full scope of services as is requested under this section or should we plan on providing it 100% of the time on every assigned transaction?"

**Yes, the winning Consultant will be required to provide planning and design services for the projects they are assigned. Please see Scope of Services in the RFP package.**

5. We are requesting on our behalf and on behalf of the Alliance of Service Disabled Veteran Owned Business Alliance, an explanation of why the Disabled Veteran paragraph was removed from this Solicitation.

**The State will not incur any responsibility of expenses for the services rendered by the Proposer. This is a no cost to the State Consultant contract. The State is under no obligation to compensate the winning Consultant. Therefore, DVBE participation does not apply.**

6. Does the contract cover all leases, and events that the State will incur for a given region, or will the State reserve the right to self perform some or all of the services outlined for selected transactions?

**No, the State will choose to assign projects as necessary to meet the State's needs.**

7. Does the State require any formal notification of intent to respond to the RFP prior to the October 15 deadline for submission?

**No**

8. How would the State describe its current practice of managing the subject portfolio, as:
  - a. Series of critical events; or b. Aggregated portfolio approach

***This question is not germane to the RFP.***

9. Although not described as part of the scope of this contract, does the State use a particular software or system to track lease data in a formal Lease Administration program?

- If so, could you please clarify which program or system the State is using to perform Lease Administration?
- Is the State utilizing the same systems across all Regions defined by the RFP?
- Would the State be open to considering alternatives to this system?
- Would the State wish the Contractor(s) to provide input into this system?

***A proprietary system is currently being utilized. Lease Administration software is not contemplated as part of this RFP and contract.***

10. Can the State provide an estimate of the total number of State employees that will interface with Proposers for each region, and thus the total number of employees that will require training, access/licenses to market data, etc?

***Training from the Consultant is not needed per Amendment #3 of Addendum 1. The State will provide the winning Consultant with training.***

***Currently on staff is approximately 46 Planners and 37 Real Estate Officers for a total of 83: 28 Southern California; 31 Sacramento; 24 San Francisco Bay Area and Out of State Leases***

11. On page 4 in the second paragraph labeled, "Length and Geographic Service Area of Contract," into which regions do the counties not listed fit?

- Can you provide a graphic of the regional geographical service area?
- Also, there was a reference to "Out of State" locations – could the State please provide a list of those properties and locations?

***The unidentified counties are not part of this RFP and contract. There is no graphic of the regional service areas. Currently there are approximately eleven out of state leases. One is***

***in the state of Hawaii and the others are in the continental U.S.***

12. Can the State provide additional information on the processes currently in place?
- Are there approved forms and approval documents and can the State provide examples?
  - Who are the reviewer/approvers throughout the process?
  - What are the current metrics used to analyze each transaction?

***The State will provide training to the winning Consultant.***

13. Where does the authority reside to determine relocation v. renewal? How are expansions approved?

***Whichever is in the best interests of the State.***

14. Will all assignments under this contract be issued via individual Task Order, and will the Task Order contain all information necessary to perform the work? If not via Task Order, how will the work be assigned?

***A Project Assignment letter is generated designating the team assignments. The State's designated representative will provide project direction.***

15. On page 5, where Competitive Bid Projects are referenced, can the State provide standards as to what would constitute a "competitive bid project"? What are the State's competitive bidding procedures?

***The State will provide training to the winning Consultant.***

16. On page 6 in the second paragraph, there is a reference to drawings being provided in AutoCad 2004, but on page 12, in the listing of software programs, the reference is to AutoCAD 2009. Please clarify the State's preference for receiving electronic drawings files?

***As stated, AutoCad 2004 file format for submitted drawings and AutoCAD 2009 is the correct reference for software.***

17. On page 9 under "Minimum Qualifications" letter E, a LEED accredited or equivalent professional is required. Can the State provide its standard requirements for LEED certification as it relates to the site selection, space design, and project management components outlined in the RFP?

***The LEED requirements are determined based on the best interest of the State.***

18. Page 11, section J, Does the State currently utilize specific sources of real estate market information that it wishes to be provided, or should these sources be recommended by provider?

***The State utilizes a wide variety of sources for real estate market information. Proposers may propose value added services if desired.***

19. On page 17, section 10, the RFP indicates that the Disabled Veterans Business Enterprise (DVBE) requirements are waived for this RFP. The RFP does not address requirements to use Small, Disadvantaged, or Minority owned businesses either as Provider or as a third party service provider for design and project management services. Will utilization of qualified entities be evaluated by the State as a part of this RFP? If yes, is there a target usage or breakout specified?

***The State will not incur any responsibility of expenses for the services rendered by the Proposer. This is a no cost to the State Consultant contract. The State is under no obligation to compensate the winning Consultant. Therefore, DVBE and Small business participation does not apply.***

20. If a MBE/WBE entity is in process of having their submitted application approved, will their inclusion in the prime RFP still be credited in the scoring?

***There is no scoring advantage in this contract for MBE/WBE.***

21. What is the role of the Real Estate Services Division (RESA) planner? What is their approval process?

***The State will provide training to the winning Consultant.***

22. Will the State or Proposer be responsible for contracting directly with construction vendors?

***The State does not contract directly for construction when obtaining leased facilities. All construction contracts are between the prospective lessor and the construction contractor.***

23. Will the State provide a copy of its standard construction contract?

***This question is not germane to the RFP.***

24. Will Proposer be responsible for Furniture, Fixture, and Equipment (FF&E) ordering, installation, and delivery?

**No. The winning Consultant may be asked to facilitate this process but will not be required to contract for it.**

25. Should Proposers consider in depth move coordination (beyond management of hard construction) a part of the scope of the agreement?

**No**

26. What are the expected liability provisions if delays are encountered (e.g. due to contractor problems, owner changes, etc.)? Who is responsible for the delays?

**The Lessor is responsible for any delays caused by the construction contractor.**

27. Is the RFP a complete turn key delivery?

**The intent of the question is not understood.**

28. Please clarify whether the Scope of Services are being requested as a full set of services per region and per transaction and that they will not be selected by the State on an “a la carte” basis from the Contractor.

There are services included in the Scope of Services which may not generate a leasing commission (i.e., project management, design, architectural) if a lease transaction is not completed. In the event that such services do not lead to a completed transaction, will the Contractor be able to seek payment for such services from the State?

**The requested services on each project will vary to meet the State’s needs.**

**This is a no cost to the State Consultant contract. The State is under no obligation to compensate the winning Consultant.**

29. The RFP indicates that the State will not incur costs as a result of the services provided for in this RFP. Is this statement inclusive of services that may not be traditionally not covered by lease commission payments (i.e., for architectural services, for design and planning services, for construction management services)?

**Yes. This is a no cost to the State Consultant contract. The State is under no obligation to compensate the winning Consultant or any other party to the project.**

30. How does the DGS currently appropriate funds for the following supplemental services:  
Outside legal counsel; Construction Management; Move Management; Survey; A/E Services

***The State will provide training to the winning Consultant.***

31. In the event that a Landlord will not voluntarily compensate a broker representing the State on a lease transaction, has the State historically intervened on behalf of the broker to request payment of said commission by the landlord? Should Proposers assume that historical practice will continue upon the awarding of this contract?

***There is a provision in the lease agreement to withhold the rent during such an occurrence.***

32. Are the leases included in the RFP limited to office and industrial properties? Could the State please clarify and specify which of the following other property/asset types are included?

Access Road; Agricultural Site; Air Monitoring Station; Airport; Amphitheater; Angling Access Site; Apartments (5 Or More Units); Boat Mooring/Marina; Carport; Child Care (Interior); Classroom; Commercial Site; Computer Room; Conference Room; Dining/Cafeteria; Dormitory; Easement; Easement (Road); Easement (Utility); Educational Site Fairground Site; Field (Spray); Firehouse/Forest Fire Station; Fish & Wildlife Site; Forestry Management Site; Garage/Parking Structure; Hangar; Hearing Room; Helitack Base Site; Highway Maintenance Site; Hospital/Care Facility Site; Hospital/Clinic/Treatment Center; Inspection Facility Site; Laboratory; Land (Leased W/ State-Owned Structure); Land (Leased); Landscape Maintenance Site; Library; Loading Dock/Platform; Mailroom/Reproduction; Military Site; Museum; Nursery/Greenhouse; Office (Field); Office (General); Office (Institutional); Open Storage; Parking (Paved); Parking (Unpaved); Parking Space(S); Pier/Wharf; Pond (Sewage); Professional Testing Facility; Ramp; Recreation Building; Recreation/Park Site; Recreational Ropes Course; Relocatable Classroom; Relocatable Laboratory; Relocatable Locker Room; Relocatable Medical Facility; Relocatable Office; Relocatable Restroom; Relocatable Shop; Residence (Multi-Family); Residence (Single Family); Security Room; Seismographic Site; Shop; Storage; Storage Building; Trailer Space; Transit Station; Utility; Visitor Center/Exhibit; Warehouse; Water

Monitoring Station; Well (Water)

***This contract could feasibly include any of the above property types. However, the overwhelming majority of the State's needs will be for office and industrial properties.***

33. If the State decides to terminate an acquisition after the completion of the initial work on the assignments, will they reimburse the Contractor for their A&E expenses?

***This is a no cost to the State Consultant contract. The State is under no obligation to compensate the winning Consultant or any other party to the project.***

34. What if an owner, especially the current Landlord, does not agree to a commission? Will the State reimburse for A&E expenses?

***This is a no cost to the State Consultant contract. The State is under no obligation to compensate the winning Consultant or any other party to the project.***

35. How will the State support the Contractor in requesting a commission?

***There is a provision in the lease agreement to withhold the rent.***

36. Please explain how the State might adjust the compensation should the State make a change in the services to be performed by the Contractor as outlined on Page 27, Item D.

***There will be no adjustment in compensation.***

37. Please clarify the State's methodology for determining the process of having the Contractor's compensate third parties, ie subcontractors.

***Any third party services as specified in this contract are between the winning Consultant and their sub-contractors.***

38. Since there currently isn't an hourly fee structure for this contract, is it the intention of the State to have the Contractor establish a commission structure to be charged to Landlords and then increase the commission so third party services can be paid by the Landlord thru commission payments?

***The commission proposed should include all services specified in the contract.***

39. Does the State conduct business in accordance with the Federal Acquisition Regulations (FAR)?

***This question is not germane to the RFP.***

40. One last clarification question. Errors & Omissions Insurance of \$5M is a substantial cost. Is it possible to reduce the E&O coverage for firms that have not had a claim in the past ten (10) years?

**No**

41. Why is DVBE participation waived in this Solicitation?

***The State will not incur any responsibility of expenses for the services rendered by the Proposer. This is a no cost to the State Consultant contract. The State is under no obligation to compensate the winning Consultant. Therefore, DVBE participation does not apply.***

42. RFP page 9, Section 5, Minimum Qualifications, Item C and D: Please confirm the Lead Contact is not included in the key professional total. For example, in Southern California the contract would include a Lead Contact and three (3) key professionals for a total of four (4).

***That is correct.***

43. RFP page 9, Section 5, Minimum Qualifications, Item E:
- a. Can the Proposer propose only one architectural firm for the San Francisco Bay area?
  - b. Can the Proposer directly hire a licensed architect(s) as described in the RFP?
    - If yes, is it possible for this role to be an experienced space planner?

**No**

44. RFP page 12, Section 6, Item 3: Is this evaluation based on the total firm clients or the individuals professionals' clients?

***As outlined in Items G and I on page 11 of Proposal Requirements.***

45. RFP page 13, Section 6, Item 12:
- a. Please provide additional clarity regarding the required presentation:
    - Is the presentation evaluation made on a specific

evaluation metrics?

- Besides the Lead Contact are there other specific representatives required to attend the presentation?
- The RFP states the State may choose to conduct the presentation/interview at the Proposers place of business. How and when will this be determined?
- How many representatives from the State will be present at the presentation?
- What length of time will be given for the presentation?
- If the presentation is made at the State offices, please provide additional detail regarding technology:
  - a. What technology is locally available at the State office?
  - b. Is the Proposer allowed to bring in its own technology?
  - c. Can the Proposer bring a person to support any technology requirements of the presentation?

***It is anticipated that the Interview/Presentation will last up to approximately one hour. PowerPoint or equivalent presentations will be permitted but are not required. There will be questions and answers during the Interview/Presentation. At a minimum, the Lead Contact/Contract Manager is required to attend the Interview/Presentation. At the discretion of the Proposer, key members of the team can attend the Interview/Presentation; however, the Interview/Presentation team should not consist of more than 5 persons. The State will be represented by real estate professionals from the Real Estate Services Division of the Department of General Services.***

46. RFP page 13, Section 6, Item 13:
- a. Can Proposer propose split fee for transactions requiring architectural firm participation?
    - (i) a lower fee if architectural services are requested or
    - (ii) a higher fee if architectural services are requested

**No**

47. RFP page 24, Exhibit A, Section 5.0, Second Paragraph, Eight Lines Down:  
There is a discrepancy between printed fifty and numerical (25)

***Corrected to read twenty-five (25) in Addendum 1, Amendment 2.***

48. RFP page 27, Exhibit B:  
Please confirm it is the State's understanding the Budget Detail and

Payment provisions described in Exhibit B only refer to the State's side of the transaction.

***This is correct. This is a no cost to the State Consultant contract. The State is under no obligation to compensate the winning Consultant.***

49. RFP page 27, Exhibit B, Section A:  
Please explain in more detail.

***If the winning Consultant is ever entitled to a commission higher than specified in this contract on a State leased facilities project, the difference will be rebated to the State.***

50. RFP page 37, Exhibit D, Item 1.0:
- a. Please further explain what you mean by: "The Contractor agrees that it will disclose to the State for a period of three years following the expiration of this Agreement, any warranties on this project and any continuing or new direct relationships of any nature which it may have or may develop with the final selected developer/owner." This language seems to be intended for a specific project instead of a multi-year multi-project contract.
    - Specifically, what does warranties mean in this context?
    - Define what is meant by continuing or new direct relationships with developer/owner.

***The State needs to be fully informed of any business relations between Contractor and any potential developer/owner.***

51. Document Preparation (Page 7)  
Is it the expectation of the state that the brokerage team will be responsible of Phase 1/Phase 2 reports as part of the Scope of Services, and pay for these reports out of commissions?

***No, this is the responsibility of the prospective lessors.***

52. Technology (Page 8/Section 4 and Page 23/Section 3)  
Assuming each contractor meets all the goals outlined in Section 4 (Technology) and Exhibit A, Section 3.0 (Technology), (by providing the necessary technology for data transfer (with all required file formats), remote email and internet access, FTP access etc.), what emphasis (if any) will be placed on Proposer providing additional technological services that exceed the requirements outlined in the RFP?

***Additional points will be awarded for value added services in accordance with their perceived benefit.***

53. Minimum Qualifications (Page 9, Item E)  
The State wishes the Proposer to identify 2 to 3 architects that will partner with the brokerage team. Is it the expectation of the State that they will have multiple design firms on the team or will they select one primary architect from the list of two or three?

***The State will select one of the licensed architectural firms from the 2 or 3 identified to provide planning/design services for each individual project.***

54. Proposal Requirements (Page 11, Item H Qualifying Experience – Planning/Design Services)  
Is the Proposer to pay for the fees of the architect?  
Does the architect contract directly with the Proposer?  
Can the Proposer, as part of the negotiations, have the landlord pay for the architectural services?

***The fee for architectural and/or Planning/Design services must be paid directly by the winning Consultant.***

55. Outstanding Litigation (Page 11, Item F)  
As is the case with many multi-national firms, a listing of “any outstanding litigation” is nearly impossible to provide, and has virtually no meaning since all parties to a transaction are routinely named, irrespective of their role. What does the State wish to determine by this requirement and is there a more discrete and focused manner by which this can be satisfied?

***The State’s concern is that the firm or personnel assigned to the contract would not be available to fully perform under the contract. See Amendment 1 (above) to this requirement.***

56. Basis for Consultant Award (Page 12, Section 6)  
In the introductory paragraph to Section 6, the narrative is “Team members will individually evaluate the Proposers Response...” In the last RFP scoring, the point awards differed between each team Member except for the Presentation/Interview, where all scoring was identical. Was the Presentation/Interview scoring method for the 2004 RFP based on consensus? What methodology is the State going to use this year for 6. Basis for Consultant Award? If scoring for the Presentation/Interview is by consensus, why does it differ from all other areas of scoring?

***The scoring of the RFP will be by the average of team members. The scoring of the Presentation/Interview will be based on the average of those evaluating the Presentation/Interview.***

57. Conflict of Interest (Page 17/Section 9.1)

In the RFP, you require the “Selected Proposer to disclose all buildings or properties in which Proposer has any formal relationship or agency.” Many owners may own, or partially own, multiple buildings. Does the Selected Proposer’s obligation to disclose include all buildings owned by the landlord with which the Selected Proposer may have a “formal relationship or agency” with one or more buildings? The point of this question is that conflicts arise as the result of agent/landlord relationships, not agent/building relationships.

Additionally, all agents within a brokerage house have a contractual obligation to the licensed broker. Do conflicts extend to other listings within the house where the selected Proposer is not the agent, however another agent with the same broker/manager represents the building or landlord in a transaction with the State? The point being that a conflict may extend to the house/brokerage firm and not just the selected Proposer/agent.

If there is a disclosed conflict in a building the State chooses, the State has the right to bring in another advisor to review the transaction. Is this advisor typically a real estate agent, appraiser, developer, etc? How many times did the State consult “another advisor” throughout the last contract term?

***Only those buildings being considered by the State.***

***There is no selection criteria for third party advisor, but they have to meet the minimum qualifications as described in the RFP.***

***The number of times another advisor was consulted is not germane to this RFP.***

58. Sustainable Practices

The State is a strong proponent of sustainable building practices, and there is a role for leasing practices to promote this concept. Yet, the RFP doesn’t assign an obvious weight to Proposers’ interest or abilities in this area. Does DGS plan on scoring this factor and, if so, under what category and with what weighting?

***Additional points will be awarded for value added services in accordance with their perceived benefit.***