

STAFF REPORT FOR CALENDAR ITEM NO.: 8.2
FOR THE MEETING OF: September 11, 2014

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Authorize the Executive Director to amend Professional Services Agreement No. 09-01-APP-000, for Real Estate Appraisal Services (Agreement) between the Transbay Joint Powers Authority (TJPA) and Carneghi-Blum & Partners, Inc. (Carneghi) to extend the agreement to a maximum term of six years with no change to the maximum compensation under the Agreement.

EXPLANATION:

The Transbay Program requires real estate appraisal services from a firm that has relevant experience, professional qualifications, and expertise as the TJPA finalizes real estate related matters in the first phase of the project. In 2009, Carneghi was selected through a competitive procurement process to provide the necessary real estate appraisal services. On April 9, 2009, the TJPA Board authorized the Executive Director to award a contract to Carneghi for a maximum compensation of \$425,000 and a term of three years with an option to extend the term for two additional years. The Agreement became effective upon the issuance of the first notice to proceed, dated April 17, 2009. The scope of work includes appraising property and preparing appraisal reports on an as-needed basis, and testifying as an expert witness in condemnation trials or other proceedings.

In April 2012, the TJPA Executive Director executed Amendment No. 1 to the Agreement to extend the term by three months without changing the scope, price, deliverables, and maximum compensation under the Agreement. In June 2012, the TJPA Board authorized the Executive Director to execute Amendment No. 2 to the Agreement which extended the term of the Agreement to the maximum five years contemplated under the original Agreement without changing the scope, price, deliverables, and maximum compensation under the Agreement.

For the last several years, Carneghi has been involved in the final eminent domain cases, preparing trial exhibits, assisting with trial strategy, and preparing direct and rebuttal testimony. In April 2014, the TJPA Executive Director executed Amendment No. 3 to the Agreement to extend the term by 10 percent—182 days—through October 8, 2014, without changing the scope, price, deliverables, and maximum compensation under the Agreement. However, the trial for 568 Howard, the sole remaining case, has been pushed out in time, and could be in October 2014 or as late as January 2015 depending upon the judge's schedule. Staff recommends approval of this Amendment No. 4 to extend the term of the Agreement by approximately six months for a six year maximum term, ensuring that Carneghi is able to continue to provide these services through the conclusion of the litigation. Staff believes that it would be inefficient and not cost effective to engage in a new competitive procurement process to select a consultant to provide these continuing real estate appraisal services.

As of June 30, 2014, the Carneghi Agreement has an unspent balance of \$187,911.25. It is not anticipated that the remaining work will use the full balance, and no increase in compensation is being requested.

Amendment No. 4 to the Agreement would extend the term of the Agreement to a maximum six years. As noted, Amendment No. 4 would not change the scope, price, deliverables or maximum compensation under the Agreement.

RECOMMENDATION:

Staff recommends that the Board of Directors authorize the Executive Director to amend Professional Services Agreement No. 09-01-APP-000, for Real Estate Appraisal Services with Carneghi-Blum & Partners, Inc. to extend the agreement to a maximum term of six years with no change to the maximum compensation under the Agreement.

ENCLOSURES:

1. Resolution
2. Amendment No. 4

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, On April 9, 2009 in Resolution No. 09-013, the Transbay Joint Powers Authority (TJPA) Board of Directors resolved to authorize the Executive Director to execute a Real Estate Appraisal Services Agreement (Agreement) with Carneghi-Blum & Partners, Inc. for a maximum compensation of \$425,000 and a three year term with an option to extend the term for two additional years; and

WHEREAS, On April 16, 2012, the TJPA Executive Director executed Amendment No. 1 to the Agreement to extend the term of the Agreement by three months; and

WHEREAS, On June 14, 2012, the TJPA Board of Directors authorized the Executive Director to execute Amendment No. 2 to the Agreement with Carneghi-Blum & Partners, Inc., to extend the term of the Agreement to five years without increasing the maximum compensation under the Agreement; and

WHEREAS, On April 16, 2014, the TJPA Executive Director executed Amendment No. 3 to the Agreement to extend the term of the Agreement by 182 days; and

WHEREAS, As of June 30, 2014 Carneghi-Blum & Partners, Inc. has 44 percent of the contract value remaining unspent; and

WHEREAS, The TJPA expects to continue to require appraisal services as right-of-way acquisition activities under the Program continue; and

WHEREAS, It would be inefficient and not cost effective to engage in a new competitive procurement process to select a consultant to provide these continuing real estate appraisal services; and

WHEREAS, TJPA Staff recommends extending the term of the Agreement to six years without increasing the maximum compensation under the Agreement; such change to the term requires a fourth amendment to the Agreement, but does not change the scope, price or deliverables under the Agreement; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes the Executive Director to execute Amendment No. 4 to the Agreement with Carneghi-Blum & Partners, Inc., to modify the Agreement to extend the term of the Agreement to six years without increasing the maximum compensation under the Agreement.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of September 11, 2014.

Secretary, Transbay Joint Powers Authority

Amendment No. 04
Professional Services Agreement between
the Transbay Joint Powers Authority and Carneghi-Blum & Partners, Inc.

THIS Amendment No. 4 to the Professional Services Agreement to furnish real estate appraisal services dated April 9, 2009 (“Agreement”) is entered into as of the 11th day of September 2014 in San Francisco, California, by and between **Carneghi-Blum & Partners, Inc.** (“Contractor”), and the **Transbay Joint Powers Authority** (“TJPA”).

The TJPA and Contractor desire to extend the term of the Agreement without changing the scope, price, or deliverables under the Agreement. The TJPA and Contractor agree to amend Section 2 of the Agreement in its entirety to read as follows:

2. Term of the Agreement.

Subject to Section 1, the term of this Agreement shall be for six years from April 17, 2009, the Effective Date of the Agreement.

All other provisions of the Agreement shall remain in full force and effect. In particular, there shall be no change to the maximum compensation described in Section 5 of the Agreement.

**TRANSBAY JOINT POWERS
AUTHORITY**

CONTRACTOR

Carneghi-Blum & Partners, Inc.

Maria Ayerdi-Kaplan
Executive Director

Signature

Printed Name

Tax Identification Number