

Law Enforcement Space Needs RFP Questions and Responses
Submitted on August 5, 2016

Question:

The lease is subject to government funding, how long is the initial state funding for in years, i.e. 1,2,3, or more years? What has been the history of funding for the tenant in similar type where the state funding is not granted?

Response:

The initial funding is for an 18th month period. This funding is based on projected budgets that will be influenced positively or negatively based on the lease costs for the office space, additionally, the program is incurring costs currently for staff and other expenses, so it is unlikely that a full 18 months of funding will exist at the time the lease is signed. However, it is expected that future funding will be incorporated in the State of Texas two year budget cycle which should be adopted in 2017. The City of Houston runs a similar program which is currently in its third year of operation and has been approved for an additional two years of funding. We are not aware of any leases being terminated related to this program due to the funding restrictions. However, as detailed in Section 004 Scope of Service, Lease Terms, a provision will be contained in the lease that in the event City Council adopts a budget that does not include funding for this program, the lease may be terminated. This provision is included in the sample lease document provided with the RFP in Section 20 Appropriations.

Question:

Is the prospective tenant/entity in operation now what rent is it paying and how long has it been there?

Response:

This is a new program for the City of San Antonio with the leased space selected through this RFP process representing the first time the City has contracted for office space for this purpose.

Question:

Can the bid for the five year lease have different amounts each year or does it need to be one set amount per year for each year.

Response:

The amounts can vary from year to year, RFP Attachment B accounts for this possibility and Respondents can alter this form to indicate changes in the rate over the five year term. In the event the rate does change during the five years, proposals must specifically express the frequency of the adjustment and how the adjustment is calculated. As provided in Section 004 Scope of Service, Tenant Improvements, these rates are subject to adjustment by the City reviewer in the event Landlord does not specifically state they are providing a build to suit allowance or propose an allowance that in the sole judgment of the City review panel does not adequately account for the actual cost to renovate the Premises.

Question:

There is a similar state funding tenant of the undercover task force that used to office in (reference to address removed due to covert nature of this operation) and now is renting office space in the (reference removed due to covert nature of this operation). How much rent per square foot are they paying at that location?

Response:

Initially occupied in October 2014, the City is presently paying \$17.72 per square foot annually for the undercover task force space. This rate is full service gross with no pass through or additional charges to the City for the occupancy, the rate increases about 1.25% annually. Included in this rate are costs incurred by landlord for build to suit tenant improvements including telephone cabling and equipment along with furniture systems. Landlord was not required to provide a specific breakdown for these costs but it is estimated they spent in excess of \$60.00 psf to outfit the building for the City's use. In the case of this RFP, the City will contract directly for the IT network equipment and cabling along with any furniture systems necessary for Tenant's use. Regarding the furniture, Landlord as part of their allowance will be required to connect any tenant supplied furniture systems to the power distribution systems in compliance with manufacturer's guidelines.

Question:

Most of the expenses of the building can be reasonably estimated with the exception of property taxes which could double or triple in any given year – what has other leases contained to address this issue?

Response:

As provided in Section 004 Scope of Service, Lease Structure, the portion of rent attributable to operating expenses which include property taxes must be quoted as a predetermined figure. Therefore, Landlord must account for any increases in property taxes they believe may occur over the five year term within the quoted rent. As stated in this section of the RFP, base year or expense stop type quotes for rent will not be accepted as anything that is not verifiable may provide an advantage to one Respondent versus another if the quoted cost is anything other than a firm number. Therefore, Respondent will take the sole risk or reward as the case may be, that property taxes will follow a specific pattern and quote the rental rate accordingly.

Question:

If in our bid the Landlord agrees to provide \$150,000 for Tenant's furniture and fixture is extra weight given this bid.

Response:

The request for the refundable allowance of \$150,000 is detailed in Section 004 Scope of Services, Tenant Improvements of the RFP. Though not specifically identified in RFP Attachment A, Part 3 Work Plan, the Respondents agreement to provide this allowance is considered part of their Work Plan. Therefore Respondents that confirm they will provide this refundable allowance will be given consideration as part of the points awarded for the Plan which accounts for 15% of the total score.

Question:

Is the bid for lease space awarded to the lowest bid, or does the City come back to perhaps the best two bids and have them negotiate down from their bid amount?

Response:

Price is the most critical component of the scoring system with a total of 80% of the score being awarded based on price over the five year term. However, location of the building, building features such as number of floors to accommodate the occupancy, with a stated preference of locating all program functions in a single story along with the developers plan and experience accounting for another 20% of the score. So it is possible that the lowest price proposal is not the eventual selection as factors such as location, parking security or other aspects of a particular proposal may have bearing on the score. The expectation is that the submitted proposals will have sufficient detail so the person reviewing them can clearly determine what the cost per square foot is, subject to adjustment by the City reviewer as provided in the RFP document. City staff may contact prospective bidders to clarify aspects of their proposal, but it is not anticipated that we will negotiate the price any differently than what is outlined in their respective proposals. Therefore bidders should put their most competitive price in the proposal with the likely outcome that only one proposal will be selected for the next step which is finalization of the lease language.

In terms of how the score is calculated based on price, the City will determine the total cost of occupancy for a five year period, the proposal which can provide all of the objectives outlined in the RFP at the lowest cost over this five year term will be awarded the entire 80 points. Then the remaining proposals will be scored based on how much more they will cost in comparison to the lowest effective cost, these remaining proposals will then be awarded points on a sliding scale as determined by the City reviewer based on their ranking. For instance if the most cost effective proposal represented an effective rate of \$18.00 per square foot over a five year term, and has demonstrated that the space

necessary to accommodate the program within their building can meet the 25,000 square foot threshold, this would be calculated as a cost of \$2,250,000 over the five years and would receive the entire 80 points in this example. If on the other hand, the most expensive proposal has an effective rate of \$20.00 per square foot over the five year term, but requires the City to rent 28,000 square feet, then the cost would be calculated as \$2,800,000 or 24.4% more expensive than the lowest cost proposal, that proposal would be awarded 75.6% of the points available or 60 points (rounded down). To avoid one proposal being artificially low due to Respondents representation that the requirement can be accommodated in less than 25,000 square feet, pursuant to Section 004 Scope of Service, Premises, size must be confirmed in the proposal, if the size is less than 25,000 square feet, then Respondent must provide sufficient explanation as to how the figure is arrived at and how the stated space need of 25,043 square feet can be accommodated in a smaller floor plate. In the event that Respondent does not sufficiently detail these reasons, the City will calculate the figures based on 25,000 rentable square feet or at its option, reject the proposal as being non-responsive.

Question:

Do any of the agencies have a particular need to have space next to each other? The entire lease space will have all of the agencies in one space, but within that space does any one agency have a need to be next to another?

Response:

All of the partner agencies will be working towards a common mission, however, when space planning begins in earnest it may reveal the need for certain adjacencies, at this point in the process we do not have that information.

Question:

There will be a secured parking lot -- is it desired that once a car is parked in the fenced parking lot that there be entrance from the fenced parking lot directly to the office space without leaving the fenced parking lot?

Response:

The preference is to have a direct entrance exclusive to the City from the secured parking area into the premises. The secured parking lot itself must be exclusive to the City of San Antonio users.

Question:

The building is a multi-tenant building -- does the City lease desire that its space be accessed without going through lobbies that other tenants have access to, i.e. the elevators?

Response:

The preference is that through the RFP process a single story, single occupant building at a competitive rental rate is identified. However, if the building is multi-tenant, and the Premises is on an upper floor using elevators shared by other building tenants, then preference would be that the Premises be secured through a combination of restricted access elevators (access controls in elevator) prohibiting the public from reaching an occupied floor along with door access controls in the elevator lobbies prohibiting access beyond the lobby. Installing access controls on elevators can be an expensive endeavor, to the extent that the RFP proposal does not conclusively state that the elevator controls will be installed by landlord at landlord's sole cost and expense and not considered part of the tenant improvement allowance, then the City may increase costs attributable to the rental rate to account for the additional investment it will need to make itself for the elevator controls as the expectation was that the City would pay for any low voltage security controls installed on the premise with the exception of the access controls for the entrance and exit man and vehicle gates for the secured parking area as provided in Section 005 Additional Requirements, Tenant Improvement Allowance exclusions.

Question:

On the TAG Program Space Needs spreadsheet the staff allocations for FBI indicate 10 Agent Investigators and 2 Other in 48 square foot offices, is this correct?

Response:

The 48 square foot designation is correct, but these should be have been designated as cubicles and not offices.