



STAFF REPORT

DATE: December 14, 2020

TO: Sacramento Regional Transit Board of Directors

FROM: Brent Bernegger, VP, Finance/CFO

SUBJ: AWARDING CONTRACT FOR REAL ESTATE BROKER SERVICES AND OWNER/TENANT REPRESENTATIVE SERVICES TO CBRE AND DELEGATING AUTHORITY TO AWARD A CONTRACT FOR REAL ESTATE BROKER SERVICES AND OWNER/TENANT REPRESENTATIVE SERVICES TO NEWMARK KNIGHT AND FRANK

RECOMMENDATION

Adopt the Attached Resolutions.

RESULT OF RECOMMENDED ACTION

Awarding a Work Order-based contract for Commercial Real Estate Broker Services and Owner/Tenant Representative Services to CBRE, Inc. for purchase or lease of commercial/industrial space and delegating authority to the General Manager/CEO to award a contract to Newmark Knight Frank.

FISCAL IMPACT

There is no fiscal impact associated with the execution of the broker contracts. After negotiation for a particular property lease or purchase, there may be additional costs associated with a property to build out tenant improvements or secure assistance for design, space consulting or other services. If these items are not covered by the fee paid to the broker by the seller or property owner, the General Manager/CEO or his designee will approve Work Orders up to a total amount of \$150,000. SacRT has structured the contracts so that the fees the brokerages receive for assisting a property acquisition are paid by the seller or property owner and only extra services would trigger a fiscal impact.

DISCUSSION

Sacramento Regional Transit District (SacRT) issued a Request for Proposals (RFP) on June 26, 2020 on PlanetBids and received four responsive proposals on August 17, 2020 from: CBRE, Inc., Colliers International, Cushman & Wakefield of California, Inc., and Newmark Knight Frank. After evaluation of the written proposals, three firms were invited to oral presentations that were held on Wednesday, October 14, 2020 and Thursday, October 15, 2020. Upon completion of oral presentations, the evaluation committee determined the two top ranking firms were CBRE, Inc., for industrial space acquisition and Newmark Knight Frank for office space acquisition.

The primary objective of the RFP was to secure the services of the most experienced and qualified firms in finding and evaluating locations for: (1) new administrative offices; and (2) maintenance and dispatch facilities for both bus and rail. The evaluation of the proposers focused on experience and staffing, approach to work, contract understanding, and price.

Both firms that were chosen have built teams of exceptional individuals who excel in critical areas where SacRT felt their knowledge would greatly enhance the prospects of finding the best locations, negotiating the best terms, and advising on market timing.

Pursuant to the Disadvantaged Business Enterprise (DBE) regulations in 49 C.F.R. Part 26 and SacRT's DBE Program, no DBE participation goal was set for this procurement.

The initial term for each contract will be two years, with a SacRT option to renew for three additional one-year periods. SacRT is still awaiting some required information for contract preparation for Newmark Knight Frank, so a delegation of authority is being requested for the General Manager/CEO to award the contract once the required information is received.

RESOLUTION NO. 20-12-0130

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 14, 2020

**DELEGATING AUTHORITY TO AWARD A CONTRACT FOR REAL ESTATE
BROKER SERVICES AND OWNER/TENANT REPRESENTATIVE SERVICES WITH
NEWMARK KNIGHT FRANK**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, authority is hereby delegated to the General Manager/CEO to award and execute the Contract for Real Estate Broker Services and Owner/Tenant Representative Services between Sacramento Regional Transit District, therein referred to as "SacRT," and Newmark Knight Frank to represent SacRT as its commercial brokerage/tenant representative for office space procurement needs for a term of two years, with option to renew for three additional one-year periods, on a commission basis with Work Orders issued as needed for additional services, up to a maximum of \$150,000 in the aggregate.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 20-12-0131

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 14, 2020

AWARDING A CONTRACT FOR REAL ESTATE BROKER SERVICES AND OWNER/TENANT REPRESENTATIVE SERVICES WITH CBRE, INC.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Contract for Real Estate Broker Services and Owner/Tenant Representative Services between Sacramento Regional Transit District, therein referred to as "SacRT," and CBRE, Inc., therein "Contractor," where by Contractor agrees to represent SacRT as its commercial/industrial brokerage/tenant representative for industrial space procurement needs for a term of two years, with a SacRT option to renew for three additional one-year periods, on a commission basis with Work Orders issued as needed for additional services on a commission basis with Work Orders issued as needed for additional services, up to a maximum of \$150,000 in the aggregate, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the foregoing Contract.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary