

- **Board of Directors**
Executive Committee

May 17, 2000 Board Meeting

8-5

Subject

Extend Agreement No. 18321 for one year with Jones Lang La Salle Americas, Inc., (formerly Jones Lang LaSalle Management Services, Inc.) to continue property management services for the headquarters facility, adjacent to Union Station, at a negotiated price, not to exceed \$1,900,000.

Description

Jones Lang La Salle Americas, Inc., (Jones) is currently providing property management services for Metropolitan's headquarters facility, adjacent to Union Station, under a two-year contract not to exceed \$3,800,000, with an option for a one year extension at a negotiated price. Jones' two-year agreement will expire June 15, 2000, and Metropolitan desires to exercise the one year extension option, at a cost not to exceed \$1,900,000. Jones was awarded this contract in 1998 through the competitive bid process. Prior to expiration of this extension, staff will solicit competitive bids for these services according to Metropolitan policy.

Jones has provided consistent, highly professional service to Metropolitan during the course of their contract. The services Jones provides are primarily through subcontracts, including but not limited to: operating engineering services; janitorial and housekeeping; fire and life safety; exterior landscaping; elevator maintenance; window washing; waste removal and recycling; and, other building management services as determined by Metropolitan. Contract provisions also include an on-site property manager and administrative staff.

In addition to the subcontractors Jones hires and manages, Metropolitan benefits from multiple other services provided by the firm's corporate office. Primary corporate services include:

- annual audit of the Operating Engineer's maintenance records;
- inspections of building mechanical equipment to verify proper maintenance and quality of work;
- annual audit of the on-site property manager's record keeping and contracting practices;
- networking support and resources to the on-site manager to provide proactive solutions for client issues;
- cost savings of 25% to 30% on specific building supplies and \$25,000 annual savings on elevator maintenance, because of Jones' national contracts and purchasing volume.

In anticipation of Metropolitan leasing space within the headquarters facility, staff believes that having a professional property management firm that is experienced with tenant issues, concerns and solutions will prove to be very beneficial to Metropolitan as the lessor. Current staff lacks this extensive industry experience and would therefore be limited in their ability to provide the necessary services. Providing tenant services will not cause the contract to exceed the proposed amount.

Policy

Administrative Code Section 8117: Professional and Technical Services. The General Manager may exercise without restriction the contractual powers conferred by Section 8115 (c) regardless of subject matter, including the power to contract for professional and consulting services, providing that the amount payable under any one contract during any one year shall not exceed \$250,000.

Board Options/Fiscal Impacts

Option #1

Authorize the General Manager to extend Agreement No. 18321 with Jones Lang La Salle Americas, Inc., for one additional year, to continue property management services at Metropolitan's headquarters facility, adjacent to Union Station, at a negotiated price, not to exceed \$1,900,000. The contract extension will commence June 16, 2000, and extend the contract date to June 15, 2001

Fiscal Impact: \$1,900,000 to cover subcontractor services, property management fees, audit reports and salaries for one year. Funds are in the proposed O&M budget for fiscal year 2000-2001.

Staff Recommendation

Option #1.



Roy L. Wolfe 4/17/2000
Acting Manager, Corporate Resources *Date*



Ronald R. Foster 4/27/2000
General Manager *Date*