

REQUEST FOR PROPOSALS (RFP)
(RFP No. 12736)

Addendum Number 1

**Responses to Questions and Inquiries Re: RFP #12736,
Property & Asset Management**

Responsibility of Each Vendor Participating in the Bidding Process

It will be the responsibility of each participating Vendor to refer daily to the OUS Business Opportunities website to check for any available amendments or addenda, responses to inquiries and/or questions, cancellations, or intents to award, and any and all additional information regarding this opportunity that is posted. It is not Portland State University's responsibility to notify participating Vendors by email or by any other means of any of the above. Copies of this document can be obtained on the web site as well. The web link follows.

Web Link:

<http://www.ous.edu/bapp/bopps/index/ppsu>

**Responses to Questions and Inquiries Re: RFP #12736
Property & Asset Management**

REQUEST FOR PROPOSALS:	ADDENDUM Number 1
RFP NO:	12736
TITLE:	PROPERTY & ASSET MANAGEMENT
DATE RFP ISSUED:	JULY 7, 2008
DATE ADDENDUM ISSUED:	JULY 21, 2008
DUE DATE FOR PROPOSALS:	AUGUST 1, 2008
CONTACT PERSON:	Paul Thomas Contracts Officer, Portland State University Email: contract@pdx.edu Portland State University, Purchasing Office PO Box 751 – BAO/PUR Portland, OR 97207-0751

PURPOSE OF THIS ADDENDUM:

The purpose of this Addendum is to provide Proposers with Portland State University's response to vendor questions and inquiries in regard to this RFP 12736.

PART 1 - RFP Specifications being questioned

1. SECTION 2

#2 Collect Rental/Lease Payments and Pay Expenses

#3 Deposit Collections (page 14):

This item requires a “joint” PMC/PSU trust account. Per Oregon Real Estate statutes, OAR 853.025.0065(1) requires all funds received by a property manager to be deposited in a client’s trust account, and OAR 863.025.025(8) states that funds in a client’s trust account or security deposit account may not be deposited, held or disbursed by an owner. Only the licensed property manager may sign checks on the client’s trust account. So, our question is how “joint” is intended to be defined in this requirement so that we are still in full compliance with Oregon statute? We would expect to establish client’s trust account(s) for this assignment held for the owner under statute, with the owner, PSU, not signing on the account.

PSU’s Response:

Currently the State is listed on the CTA's we have in place with the PMC. However, the State or PSU are not signors nor do we have direct access to conduct any transactions. All transactions are handled exclusively by the PMC. PSU understands and must comply with all OAR regulations.

2. SECTION 2, #4 Act as Liaison Between Tenants, PSU, and City (page 15):

This paragraph includes a requirement for the PMC to “rent” an onsite office at PSU. We are willing to continue this practice, but want to confirm the understanding that this rent is paid by the property and included as an operating expense eligible for pass thru to the tenants. Also, we have provided the furniture for the existing onsite office, PSU has provided phones, computers, copiers, etc. as equipment.

Does PSU wish to have PMC pay rent directly as stated and include the cost in the contract price or allocate rent to the various properties from the client trust account? Section 3: Mandatory Requirements: Management fee indicates “reimbursable expenses” are to be included in the fee. The former method may conflict with other typical pass-through charge caps associated with on-site management expenses. Furthermore rent expense would be subject to change with location and market conditions.

PSU’s Response:

This section does require PMC “to rent” an office at PSU but there is no specific method for payment stated. The acceptable method for PSU to recover the cost of the PMC rented office is for PMC to allocate rent to the various PSU properties PMC will manage to recover that rent expense. Regarding Section 3: Mandatory Requirements: Management Fee, PSU understands that any “reimbursable expenses” incurred by the PMC in managing PSU properties are recoverable

through allocation back to the tenants, as appropriate to a specific building or across all managed buildings, not through the management fee.

3. SECTION 2

#5 Act as Owner's Representative (page 15)

#6 Recruit New Tenants (page 15)

#7 Negotiate New Leases (page 15)

and SECTION 3, #7 Proposal Services to be Performed (page 21):

Paragraphs 5, 6 and 7 in Section 2 and item 7 in Section 3 seem to be somewhat in conflict with one another. As an example, in Section 2 item 6 it says "PMC should not recruit new tenants...." and in Section 3 item 7 it asks, "Describe your methods to solicit new tenants for PSU." We would hope the role(s) with new tenants and leasing to be further clarified. We would typically expect as PMs to assist with lease maintenance tasks that might include expansions, amendments, extensions and other modifications to existing leases. Obviously we would expect to notify PSU of vacancies, prospects or other activities on the property. We would recommend PSU select a broker(s) to represent their interests in filling vacancies and sign a separate listing agreement for those services.

Should PMC provide a separate contingent proposal included for such leasing activities specifically excluded in #6 yet described as an area of oversight responsibility in #5?

PSU's Response:

We apologize for this confusion. PSU understands the distinct and separate roles of the PMC as PSU's property manager and as PSU's broker for finding new tenants. PSU understands that a separate agreement may be necessary for PMC to act as PSU's broker and may want/need to utilize the services and resources of the PMC for specifically locating a new tenant. We incorporated this option to determine the availability and specifics of PMC's broker services in this regard and how PMC would propose to handle this possibility. However, PSU would not expect PMC to act unilaterally in locating a new tenant. #7's reference to "negotiate leases with new tenants" would fall under the broker services. Regarding "renegotiate leases with existing tenants", PSU is capable of performing that function. However, PMC may have pertinent information that may assist PSU in the renegotiation &/or renewal of a current tenant's lease.

4. SECTION 2, #14 Condominium Relationship for Fourth Avenue Bldg./1900 Bldg (page 17):

Will the City be providing a scope of work for their portion of the building described as "specifically, the seven-story high rise building"? It is noted a line item is reserved for this in Section 4: Price Proposal, #1, 2) City Portion of Building.

PSU's Response:

PMC will negotiate separately with the City for services exclusive to the City Tower building. City will provide that scope of work at the time the PMC is

selected. As the City representative stated during the walkthrough of the City Tower, services will be minimal as the City handles all tenant issues. The major expectation will be keeping the City informed of all issues related to the operation of the Fourth Avenue/1900 Building as many of the utility and fire life safety issues are shared systems between the two buildings.

5. SECTION 3, Mandatory Requirements (page 20):

“Produce documentation showing current Property Management Certification for the State of Oregon.”

We are assuming that this refers to the PMC holding current real estate and/or property manager licenses under Oregon statute? If this is referring to some other certification, please specify.

PSU’s Response:

PSU requires that PMC holds (and produces) licenses and any other relevant certifications with the State of Oregon that permits PMC to perform the services stated in PSU’s RFP for Property and Asset Management Services.

PART 2 – Request for Change

1. SECTION 1, #6 Proposal Preparation and Submission (page 8)

This item states that the proposal must be submitted in the format per the incorporated Attachment 1 (starting at page 37).

As mentioned in our walk-through, does the above statement require that the proposal is entered in the right column of Attachment 1 OR can the proposal be submitted in a different format as long as all questions are clearly stated and follow the same order as in Attachment 1?

PSU’s Response:

The format on page 37 is representative of what PSU is requesting from PMC. PMC may expand that format to accommodate its responses in as clear and concise format as possible, but PMC’s format and responses should be understood by PSU.

2. SECTION 2, #1 Manage Current Leases, (page 14):

To confirm, at walk-through the date in this paragraph was corrected from July 1, 2008, to October 1, 2008.

PSU’s Response:

The date in this paragraph has been corrected to read October 1, 2008.