

**REQUEST FOR PROPOSAL
FOR THE LEASE OF THE
OFFICE AND SPACE
AT THE EAST PALO ALTO SANITARY DISTRICT OFFICE BUILDING
903 WEEKS STREET, EAST PALO ALTO, CA 94303**

**Issue Date:
August 28th, 2019**

**Due Date:
October 4th, 2019
10:00 A.M. PST**

REQUEST FOR PROPOSAL ("RFP") FOR LEASE OF THE 903 UPSTAIRS SPACE.

The East Palo Alto Sanitary District seeks proposals from qualified parties (collectively "Proposer") interested in leasing the office space at 903 Weeks Street, East Palo Alto, CA 94303, for office use, subject to a lease agreement with the District.

SECTION 1: BACKGROUND

Located in East Palo Alto, California, East Palo Alto's Sanitary District provides sewer services to the residents of East Palo Alto and portions of Menlo Park.

In addition to its proximity to downtown businesses, the District lies directly south of The Facebook Campus, North of the Google Campus. Several other destinations are located near the District Office including, Stanford University.

SECTION 2: DISTRICT HISTORY

The District was established in 1939 as a result of increased development in the East Palo Alto area. The enabling legislation of the District is the Sanitary District Act of 1923 (Health and Safety Code section 6400 et seq.).

SECTION 3: INTENT

The District seeks proposals from a single end user utilizing the Premises for office use.

SECTION 4: RENTS, TAXES, TERM, and CONDITION

4.1: Rent: The required minimum rental rates payable to the District are as follows:

4.1.1: Office Space Rent: A minimum of \$2,200 per month; A Proposer may offer rental rates above the minimum; the District will consider awarding the lease based upon the greatest economic return.

4.2: Rent Adjustments: All rent will be subject to an annual rent escalator, tied to the Consumer Price Index as published by the Bureau of Labor Statistics, U.S. Department of Labor, or another index as determined by the City. Rent shall not reduce even if CPI adjustments are less than 0%.

4.3: Permit: Lessee shall be responsible for obtaining any and all permits from the City of East Palo Alto, including but not limited to a Conditional Use Permit.

4.4: Term: A minimum term of five years.

SECTION 5: UTILITIES

5.1: Lessee shall make arrangements for and pay for its own telephone services, including all facsimile and internet services if required. Lessee shall pay for all other utilities, including but not limited to gas, electricity, water, heat, light, power, trash collection and shall be responsible for establishing connection for said utilities in Lessee's name and for all related connection charges, where applicable. For all non-metered utilities and the security monitoring system. Lessee shall be responsible for its pro-rata share of charges levied against Lessor for the use of those utilities and the security monitoring system. Lessee's pro-rata

share of utilities and expenses shall be determined by the proportion of 2,142 square feet of floor space of the Leased Premises over the total leasable floor space of the Property. Alternatively, Lessor may install applicable submeters at Lessee's cost and Lessees shall pay only its actual metered cost.

SECTION 6: PROPOSAL REQUIREMENTS

Proposal must contain the following:

6.1: Proposed lease term and rent in accordance with Section 4 of this RFP;

6.2: Resume of Proposer's previous experience, identifying not less than three (3) years of experience directly related to the proposed use;

6.3: At delivery of proposal, financial statements including, but not limited to, balance sheets and income statements (audited statements preferred) for the past two (2) years supporting the financial abilities of the Proposer.

6.4: A complete description and history of the Proposer's entity (corporation, partnership, etc.) and identification of all parties including disclosure of all persons or entities having a beneficial and/or financial interest in the proposal. Include names and qualifications of corporate/company officers/owners, their address/location(s) and other appropriate contact information:

6.5: Listing of any location(s) that the company and/or its principals have operated out of within the last three (3) years. If more than three (3) years have passed, list past locations, the timeframe the company operated at those locations, and provide explanation as to why the company currently does not operate or how it currently operates. A point of contact for each location must be listed for reference;

6.5.1: Provide relevant operational statistics (i.e. sales volumes, units sold, etc.) to substantiate prior operations if the Proposer has provided similar services elsewhere;

6.5.2: Documentation reflecting that the organization is active and in good standing, including a copy of any applicable licenses, documentation and/or certificates to substantiate the proposed use(s) of the space;

6.6: Type of employment opportunities that will be created by this operation including a description of the type, number of positions, and the estimated salary range of those positions;

6.7: Subleasing of the Premises will not be considered;

6.8: A primary contact name and information, including phone, fax, and email;

6.9: Affirmative statements that 1) the Premises will not be subject to any Lessee created liens and 2) the Proposer's principal(s) will sign a personal guaranty for the financial obligations contained in the required lease agreement;

6.10: Proposed leasehold improvements, if any, including description, function and estimated cost. Proposed improvements must receive District approval prior to implementation, must comply with all relevant building codes, including ADA, and must be completed by State of California licensed contractors. Specific leasehold improvements may require the Lessee to secure a building permit(s). The Lessee shall be responsible for all improvement fees including, but not limited to, design, permitting and construction.

Leasehold improvements will become the property of the District upon expiration or earlier termination of the lease agreement;

SECTION 7: PREFERRED PROPOSAL

The preferred proposal should include the following:

7.1: Leasing the Premises for an office use

7.2: Rent payable to the District above the required minimum rental rates set forth in Section 4.1;

7.3: Leasing the entire Premises

SECTION 8: DELIVERY

Proposals should be marked "PROPOSAL FOR 903 WEEKS LEASE" and delivered to the District Office at 901 Weeks Street, East Palo Alto, CA 94303.

SECTION 9: DEADLINE

The deadline for proposal submission is October 4th, 2019, 10:00 A.M. PST. Proposals delivered after the specified time and date WILL NOT be considered. The District will not be responsible for failure of the United States Postal Service, private courier, or any other delivery means to deliver a proposal to the appointed place by the specified time.

SECTION 10: SCHEDULE

Issue RFP: August 28th, 2019

Advertise RFP: August 28th, 2019

Deadline for Questions: September 27th, 2019 at 8 P.M. PST

Deadline for Tours: September 27th, 2019, at 5 P.M. PST

Proposals Due by: October 2nd, 2019, 10:00 A.M. PST

SECTION 11: SELECTION

All qualified proposals that are determined to be in the public interest for uses in accordance with the District will be presented to the Board of Directors for consideration and Approval.

SECTION 12: AWARD

The District may accept a proposal if it is determined to be in the public interest and uses and offers the greatest economic return to the District.

SECTION 13: LEASE AGREEMENT

A finalized lease agreement between the District and the selected Proposer must be approved by the District's Board of Directors.

SECTION 14: DISTRICT CONTACT

Akin Okupe, General Manager, Phone: 650-325-9021 / Fax: 650-325-5173 / Email: aokupe@epasd.com.

SECTION 15: INQUIRIES AND QUESTIONS

All inquiries, questions, requests for interpretation, correction, or clarification must be submitted in writing, either by mail, e-mail or by facsimile to the District Contact, and shall arrive not later than 12:00 P.M. PST on September 23rd, 2019. All responses from the District shall be in writing, either by email, or facsimile. Following the closing date for questions, all submitted questions, along with District's responses thereto, will be available on the District's website: www.epasd.com, under "Requests for Proposal / Solicitations".

SECTION 16: TOUR REQUESTS

Any Proposer interested in scheduling a tour of the Premises may do so by contacting the District Office, by email to: ktalton@epasd.com, not later than 12:00 P.M. PST on September 27th, 2019. Tours will only be conducted September 25th, 2019 and September 27th, 2019 before 5 P.M.

SECTION 17: DISTRICT RESERVATIONS

The District reserves the right to:

- 17.1: Modify, waive, or otherwise vary the terms and conditions of this RFP at any time including, but not limited to, deadlines for submission and proposal requirements;
- 17.2: Waive irregularities in the proposals;
- 17.3: Reject or refuse any or all proposals;
- 17.4: Cancel and withdraw this RFP at any time;
- 17.5: Negotiate with any or all Proposers in order to obtain terms most beneficial to the District;
- 17.6: Accept the proposal which, in its sole and absolute discretion, best serves the interest of the District.

SECTION 18: DISCLOSURE

18.1: Information contained in this RFP is believed to be reliable, however, interested parties should rely on their own experts for counsel.

18.2: All proposals submitted to the District are subject to public disclosure pursuant to the California Public Records Act.

SECTION 19: BINDING OFFER

Proposals shall remain valid for a period of one hundred twenty (120) days following the proposal deadline and will be considered to be a binding offer to perform the required services, assuming all terms are satisfactorily negotiated. The submission of a proposal shall be taken as prima facie evidence that the Proposer has familiarized itself with the contents of this RFP.

SECTION 20: COLLUSION

More than one proposal from the same Proposer under the same or different names will not be considered. Reasonable grounds for believing that a Proposer is submitting more than one proposal will cause the

rejection of all proposals in which the Proposer is involved. Those proposals will be rejected if there is reason for believing that collusion exists among Proposers, and no participant in such collusion will be considered in any future RFP.

SECTION 21: PROFESSIONAL FEES AND SERVICES

The Proposer and the District shall be responsible for the selection and payment of all professional fees and services associated with their respective interest in this RFP, and if applicable, the negotiation of a lease. Professional fees and services shall include, but not be limited to, architects, engineers, design professionals, contractors, legal representation, and/or real estate representation.

SECTION 22: GOOD STANDING WITH THE DISTRICT

Any Proposer responding to this RFP must be in good standing with the District at the time the proposal is submitted. The determination of "good standing" includes, but is not limited to, monies owed to the District, defaults on any leases/contracts and/or any other negative legal processes. Any Proposer found in a negative standing may be subject to disqualification.

SECTION 23: LOBBYING

Responders are prohibited from lobbying the District, employees, advisory committees, or elected officials regarding requests for proposals, requests for qualifications, bids or contracts, by the bidder/proposer or any member of the bidder/proposer staff, an agent or employee of the bidder/proposer, or any person employed by any legal entity affiliated with or representing an organization that is responding to the request for proposal, request for qualification, bid or contract is strictly prohibited until either an award is formal; provided, however, nothing herein shall prohibit a prospective bidder/proposer from contacting the District to address situations such as clarification and/or questions related to the procurement process or about questions related to zoning or building code requirements. For purposes of this provision, lobbying activities shall include but not be limited to, influencing or attempting to influence action or non-action in connection with any request for proposal, request for qualification, bid or contract through direct or indirect oral or written communication or an attempt to obtain goodwill of person and/or entities specified in this provision. Such actions may cause any request for proposal, request for qualification, bid or contract to be rejected or disqualified from consideration.

EXHIBIT "A" Illustration of Office Floorplan