



June 6, 2017

The following will serve as Amendment #4 to NYSIF's Request for Proposals (RFP) for Real Estate Professional Services, bid number 2017-26-RE. Material in this Amendment supersedes any contradictory material in the RFP.

- 1) Section 1.6 "Method of Award/Distribution of Work" has been replaced in its entirety with the following:

NYSIF anticipates awarding a single contractor for all services in this RFP. Award will be made on the basis of "best value", as determined by the evaluation process. The ability to perform the services will be deemed most important when evaluating bids.

In the event of a tie, the order of precedence will be:

- A. Lowest normalized cost
- B. Coin flip

While NYSIF anticipates awarding a single contractor, NYSIF reserves the right to execute separate contracts for the primary services. NYSIF will reserve the right to cancel any of one these contracts on a case by case basis.

- A. Brokerage Agreement (Inclusive of Broker Services & Consulting & Advisory Services)
- B. Lease Administration
- C. Management Services (Inclusive of Facilities Management & Other Related Services)

- 2) Section 4.4.1 "Commissions on Leases/Licenses" has been replaced in its entirety with the following:

The Real Estate Representative will look solely to the landlord or sub-landlord for the payment of its commission on brokered leases/licenses in circumstances in which NYSIF is the tenant or subtenant. In situations in which NYSIF is the landlord/sub-landlord, NYSIF will pay the commission on brokered leases/licenses. Said proposed commission rates (percentages) shall be as set forth in the Fee Schedule (Appendix Z). Commission percentages shall be inclusive of all costs, including licenses, insurance, travel, administrative, overhead and profit. All commission rates will be firm for the duration of the contract. No increase in commissions will be permitted. Payments will be based on (i) the commission rate as bid in the Fee Schedule (Appendix Z) (ii) the lease term and (iii) factors described in this section.

NOTE: If NYSIF relocates to an office owned or leased by New York State or one of its subdivisions or agencies, NYSIF will pay no commission to the Contractor. If the Contractor recommends a relocation of a NYSIF office to Contractor owned or operated space, no commission will be paid to the Contractor and the conflict of interest processes discussed in Appendix V and the Bidder Certification must be complied with.

The commission rates shall be calculated on Base Rent only as set forth in the lease/license executed by NYSIF. Commission rates will not be based upon any additional rent, operating expenses paid directly by NYSIF, operating expense escalations, real estate taxes paid directly by NYSIF, real estate tax escalations, electricity costs, tenant alteration costs reimbursed by NYSIF directly to the landlord, and the like. Rental adjustments negotiated as an incentive to NYSIF will be averaged over the term of the lease for the purpose of calculating the commission.

As outlined in the Fee Schedule (Appendix Z), for leases with a term of two (2) years or less, the commission will be equal to no more than the first months rent. For leases with a term greater than two years, the commission will be paid based on the sliding scale found on the Fee Schedule (see 1a-1e). All commissions will be paid in accordance with the terms of this RFP taking into account customary prevailing practices for the marketplace, but no commission will be paid prior to the time that the lease or sublease (and other relevant documents, i.e., a guaranty) is executed or signed by all relevant parties, all sums due at the time of signing have been paid (i.e., security deposit and first month's rent), all conditions to the effectiveness of the lease and all other relevant documents have been satisfied and all required consents and approvals have been obtained. Commissions will be paid in two (2) equal installments. The first being paid when all the aforementioned conditions have been met. The second and final installment will be paid upon rent commencement as defined within the lease so long as possession has been taken at that time and there is no default by the tenant or subtenant. The commission will be paid in this manner unless otherwise agreed upon in writing by the Landlord.

In the event that the landlord also has a broker, the commission would be split between the two representatives. It is understood that the only compensation for completed services performed, in accordance with the contract, shall be commission rate, which has been negotiated with landlords, property owners, or owner's representatives. The potential commissions resulting from a commission split with the landlord's representatives can vary from substantial to minimal. All bidders that are considering responding to this RFP should carefully evaluate these factors.

In the event that a prospective landlord offers a commission to the Contractor greater than the agreed upon rates, the Contractor will immediately give NYSIF written notice of the higher proposed commission, and will negotiate, in conjunction with NYSIF, to have the excess amount credited to rent or other financial terms of the particular lease/license for the benefit of NYSIF as, for example, an increased work letter allowance or reduced rent.

Note: If NYSIF requests the Contractor to market and sub-lease existing leased space, the total commission charged to and payable by NYSIF shall not exceed 1.5 times the commission contained in the Fee Schedule (Appendix Z) for new leases/licenses of which the Contractor will receive no more than .50 (one-half) of such commission.

It is NYSIF's intent that the commission paid on a newly established lease covers services completed prior to the execution as well as the Lease Administration services described in section 4.2. For existing leases that will not expire during the term of this contract, NYSIF expects the Contractor to provide Lease Administration services as described in section 4.2 as requested, and these services will be paid under the hourly rate found on the Fee Schedule (Appendix Z, #16 under Additional Services).

3) Section 4.4.3 "Lease Audit Services" has been replaced in its entirety with the following:

For lease audit services, the Contractor will be paid either by a percentage of the total savings realized and/or reimbursed to NYSIF **OR** an hourly rate, dependent upon what the relevant lease allows. Contractors will not be paid for projected savings for future lease costs that will be billed for the remainder of the lease term. Percentage and hourly rate quoted must be inclusive of all costs including travel, licenses, insurance, administrative, profit and other ancillary costs and be fixed for the five (5) year term. Contractors will be paid a single fixed percentage or hourly rate for each audit type—sliding scales or ranges are not acceptable. For percentage based payments, no amounts shall be payable in regard to the correction of simple mathematical errors on account statements (such as use of the wrong percentage factor or correction of the sum resulting from the adding of a column of numbers), the discovery of which is part of the duty of the leased administrator.

4) The attached Fee Schedule (Appendix Z) has been amended to reflect the changes above. All Bidders are to use the updated Fee Schedule (Appendix Z) when submitting a bid.

Please note that the due date for the submission of bids **has been amended.**

All bids are due June 13, 2017, by 2:00 p.m.(eastern).

Sincerely,



Megan McClune
Contract Management Specialist 1

APPENDIX Z

FEE SCHEDULE PROPOSAL

Bidder _____ DBA, if any _____ Federal ID # _____ Type of Firm _____ Address _____ _____ _____	Contact _____ Title _____ Email Address _____ Telephone # _____ Fax # _____ _____ _____
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COMMISSION PERCENTAGE RATES

The successful bidder will be assigned projects as the need arises during the term of the contract. During the term of the contract, each project must be estimated separately and approved by the New York State Insurance Fund prior to work commencing. The percentages provided below will be used for evaluation purposes in determining the low qualified bidder. NO guarantee of actual work is implied and may vary. Bidder must respond to all items as requested, otherwise NYSIF reserves the right to consider the bid submission as non-responsive. Bidder is also not permitted to add additional line items. Percentages quoted must be inclusive of all costs including travel, licenses, insurance, administrative, profit and other ancillary costs and be fixed for the five (5) year term. Contractors will be paid a single fixed percentage for each audit type (with the noted exception of commission on leases and lease-audit savings)—sliding scales or ranges are not acceptable.

1. Commission on Leases Statewide – Based Upon Base Rent Only	
a) Commission for Lease Years 1-2	%
b) Commission for Lease Years 3-4	%
c) Commission for Lease Years 5-6	%
d) Commission for Lease Years 7-8	%
e) Commission for Lease Years 9-10+	%
2. Commission on Property Acquisition & Disposition Statewide	%
3. Commission on Lease-Audit Savings Realized Statewide	%
a) Percentage Commission for Lease-Audit Savings	%
b) Hourly Rate for Lease-Audit Savings	\$
4. Percentage Escalation on Subcontractor Fees (not to exceed 5%)	%

NOTE: For Leases with a term of two (2) years or less, the commission paid will be the equal to the 1st months rent. For Leases with a term greater than two years, commission will be paid based on the sliding scale above.

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ADDITIONAL SERVICES - STATEWIDE

	Category of Service	Hourly Rate
5.	Energy Efficiency Management	\$
6.	Architectural & Engineering	\$
7.	Construction Management	\$
8.	Parking Management Analysis	\$
9.	Commercial / Residential Appraisal	\$
10.	Survey & Title	\$
11.	Lease Data Analysis	\$
12.	Relocation	\$
13.	Environmental Reviews	\$
14.	Strategic Planning / Development	\$
15.	Property Valuation Services	\$
16.	Lease Administration Services (for pre-existing leases only)	\$
17.	**Optional Percentage Price Increase for Years 4 & 5 (not to exceed 3%)	%

Signature: _____ Title: _____

Printed Name: _____ Date: _____