



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JANUARY 12, 2026

SUBJECT: PROPERTY MANAGEMENT AGREEMENT FROM RFP NO. 2498 FOR PROPERTY MANAGEMENT SERVICES FOR THE MISSION SQUARE OFFICE BUILDING AT 3750 UNIVERSITY AVENUE WITH G&E REAL ESTATE MANAGEMENT SERVICES, INC. DBA NEWMARK OF IRVINE, CALIFORNIA FOR APPROXIMATELY \$958,300 OVER THE FIVE-YEAR TERM

ISSUE:

Consider recommending that the City Council approve a Property Management Agreement from RFP No. 2498 for Property Management Services for the Mission Square Office Building at 3750 University Avenue with G&E Real Estate Management Services, Inc. dba Newmark (Newmark) of Irvine, California for approximately \$958,300 over the five-year term, with one optional five-year extension.

RECOMMENDATION(S):

That the Board of Public Utilities recommend that the City Council:

1. Approve a Property Management Agreement from RFP No. 2498 for Property Management Services for the Mission Square Office Building at 3750 University Avenue with G&E Real Estate Management Services, Inc. dba Newmark (Newmark) of Irvine, California for approximately \$958,300 over the five-year term, with one optional five-year extension; and
2. Authorize the City Manager, or designee, to execute the Property Management Agreement and any other documents necessary to effectuate the services described herein, as well as the ability to make minor non-substantive changes in accordance with all purchasing policies.

BACKGROUND:

On October 13, 2015, the City acquired the Mission Square Office Building at 3750 University Avenue (Property), which was funded by Riverside Public Utilities (RPU). As such, RPU is now the Landlord of the Property. The Property consists of approximately 127,533 square feet of rentable office and retail space in a six-story building, plus a basement level and a 471-parking stall garage situated on approximately 2.5 acres of land.

On January 26, 2016, the City Council approved a Property Management Agreement (Agreement) with G&E Real Estate Management Services, Inc., doing business as Newmark Knight Frank (NKF) to provide property management services for the Property which expired on February 8, 2021. The Agreement provided the ability to extend for one additional five-year term until February 8, 2026.

On February 2, 2021, the City Council approved the Second Amendment to the Agreement with G&E Real Estate Management Services, Inc., doing business as Newmark Knight Frank to exercise a five-year option to renew the Property Management Agreement for the Property until February 8, 2026.

DISCUSSION:

Staff is seeking the services of a qualified vendor to perform property management services for the Mission Square Office Building. Property management services include the administration of all third-party leases, including tenant relation management and collection of rents, administration of all ongoing building operation and maintenance sub-contracts, production of a monthly building operating report, and coordination of building repairs.

Solicitation Process and Vendor Selection

Request for Proposal (RFP) No. 2498 was prepared by RPU staff, in consultation and coordination with the City's Real Property Manager, and posted on the City's online bidding system, Planet Bids, on August 8, 2025, seeking a prospective property manager for the Property.

The solicitation notification is summarized in the table below:

Action	Number of Vendors
External Vendors Notified	500
City of Riverside Vendors Notified	187
Vendors who downloaded the RFP	22
Proposals received	5

RFP No. 2498 closed on September 4, 2025, with a total of five (5) responses. All responses were found to be responsive and responsible. Under the guidance of the purchasing department, four (4) City staff members evaluated the proposals, which resulted in Newmark ranking number one. The evaluation criteria, total points and rankings for each evaluation round are summarized in the table below.

Evaluation Criteria	Total Points
Qualifications	35%
Experience	20%
Approach and Methodology	10%
Professional References	10%
Pricing	25%

Evaluation results:

Vendor	Location	Minimum Monthly Property Management Fee	Total Points	Rank
G&E Real Estate Management Services, Inc. dba Newmark	Irvine, CA	\$3,200	792.12	1
Inland Pacific Advisors	Riverside, CA	\$8,666	687.50	2
CBRE, Inc	Los Angeles, CA	\$7,500	576.84	3
Realicore Real Estate Group	San Bernardino, CA	\$14,975	571.93	4
Bell Properties	Arcadia, CA	\$48,462	502.22	5

Under the proposed Property Management Agreement, Newmark will be responsible for the administration of all third-party leases, including tenant relations management and rent collection; administration of all ongoing building operations and maintenance sub-contracts; preparation of a monthly and annual building operating report; and coordination of building repairs. Newmark will also be responsible for paying all property-related expenses including but not limited to salaries of on-site personnel required to manage, operate and maintain the property; repair costs; utility costs; and all expenses associated with the property manager's on-site office. Vendor contracts for building operations and maintenance will continue to comply with the City's procurement guidelines. City staff will work closely with Newmark to ensure the most favorable terms are obtained for each of the service contracts. Newmark will continue to assist with larger building improvement contracts, such as elevator or HVAC replacement or upgrades; however, such projects will be bid and awarded under separate contracts and will be subject to Board review and approval as necessary and appropriate.

The Property Management Agreement financial terms include a property management fee of 2% of monthly gross revenues with a minimum fee of \$3,200 per month and approximately \$204,000 over the five-year term of the agreement. Additionally, salaries of the on-site building engineer salary of \$7,821 per month and property manager salary allocation of \$4,018 per month for a total on-site staffing allocation of \$11,839 per month and approximately \$754,300 over the five-year term of the agreement. The monthly Property Manager minimum fee and on-site staffing allocations increase at 3% annually. Staff believes the allocation of the building engineer's salary and a portion of the property manager's salary in lieu of a straight cut of monthly gross revenue is appropriate based on the large owner-occupied percentage of the building and the desire to maintain the facility to a Class A standard.

The Property Management Agreement financial terms also include a fee for project management oversight. The proposed project management fee to Newmark is based on the following:

For projects less than \$500,000; the project management fee is equal to 5% of the total project cost; and for projects of \$500,000 or more; the project management fee is equal to:

- 5% of the total project cost equal to or less than \$500,000, plus;
- 4% of the total project cost in excess of \$500,000, but less than \$750,000, plus;
- 3% of the total project cost in excess of \$750,000, but less than \$1,000,000, plus;
- For projects that are over \$1,000,000, the Owner and Property Manager shall agree to a price in advance and shall be subject to a not to exceed 3% fee.
- All applicable fees related to the capital improvements projects must be approved by RPU prior to the commencement of work.

Purchasing Resolution 24101, Section 508 Awards states, “Contracts procured through Formal Procurement shall be awarded by the Awarding Entity to the Lowest Responsive and Responsible, except that... (c) Contracts procured through Formal Procurement for Services or Professional Services, where a Request for Proposals or Request for Qualifications was used to solicit Bids, shall be awarded by the Awarding Entity in accordance with the evaluation criteria set forth in the Request for Proposals or Request for Qualifications.”

The Purchasing Manager concurs that the recommended actions are in accordance with Purchasing Resolution 24101.

FISCAL IMPACT:

The total fiscal impact of this item is approximately \$958,300 over the five-year term of the Property Management Agreement. The minimum property management fee is approximately \$204,000 and the on-site building engineer salary and property manager salary allocation is \$754,300 for the five-year term. These costs are included in the total estimated operating costs of the Mission Square Office Building and will be funded from the Mission Square Property Management account throughout the five-year term and one optional five-year extension. However, in the event there are not adequate reserves in the Mission Square Property Management Account, then funds will be included in future budgets and expended from RPU Account No. 6000030-421000 to cover the expenditures for the Property Management Agreement with Newmark.

Prepared by:	Brian Seinturier, Utilities Assistant General Manager, Finance and Administration
Approved by:	David A. Garcia, Utilities General Manager
Certified as to availability of funds:	Kristie Thomas, Chief Financial Officer
Approved by:	Gilbert Hernandez, Interim Assistant City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Award Recommendation – RFP No. 2498
2. Property Management Agreement
3. Presentation