



## City Council Staff Report

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: Public Works**

**Meeting Date: June 19, 2023**

Report #:2304-1375

### **TITLE**

Approval of: (1) a Purchase Order with Pivot Interiors Inc. in the Amount of \$756,021 and (2) a Purchase Order with One Workplace in the Amount of \$480,229 for the Public Safety Building Capital Project (PE-15001); CEQA: Environmental Impact Report for the Public Safety Building and New California Avenue Area Parking Garage (Resolution No. 9772)

### **RECOMMENDATION**

Staff recommends that Council approve and authorize the City Manager or their designee to execute:

1. A Purchase Order with Pivot Interiors Inc. (Attachment A) for the Public Safety Building Capital Project (PE-15001) in an amount not to exceed \$756,021, including \$687,292 for basic services and \$68,729 for contingency; and
2. A Purchase Order with One Workplace (Attachment B) for the Public Safety Building Capital Project (PE-15001) in an amount not to exceed \$480,229, including \$436,572 for basic services and \$43,657 for contingency.

### **BACKGROUND**

On February 1, 2021, the Public Safety Building (PSB) general construction contract was authorized by Council<sup>1</sup>. Construction has been underway since March 2021 and is expected to complete in fall 2023. The general construction contract does not include most items designated as fixtures, furniture, and equipment (FF&E). It does include some built-in FF&E items such as wall-mounted video screens and computer server racks. Budget for other stand-alone FF&E has also been included in the project plan, and the overall debt funding plan anticipated these FF&E expenditures. The City-standard modular office furniture purchases

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<sup>1</sup> City Council, February 1, 2021; Agenda Item #4, SR #11752

<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmr/year-archive/2021/id-11752.pdf>

included in this recommendation will be a key component of the final PSB to provide efficient and functional workspaces.

The new PSB will house staff from the Police and Fire Departments, and the Office of Emergency Services. Spaces in the building include offices, staff workspaces, break rooms, meeting rooms, fitness rooms, and public lobbies.

## **ANALYSIS**

In February 2021, Council directed staff to “examine the FF&E budget and remove all that are not necessary at time of completion.” Staff hired Single Source, Inc. to perform a survey of existing offices, conference rooms, and common areas in the Palo Alto Police Department on the first floor of City Hall and Fire Department administration offices on the sixth floor of City Hall. The survey indicated that 16 percent of furniture items were at the end of useful life, about half were not recommended for re-use, and 39 percent had potential for re-use but would require repairs. Repairs could be costly, especially if the item no longer has a warranty.

In addition to the age and condition of the existing furniture, the new public areas and staff workspaces of the PSB are configured differently than at City Hall and direct re-use of existing modular furniture would not effectively use the new space. Most of the existing modular furniture in the old facility is also comprised of an earlier generation of Herman Miller cubicles that has been discontinued. Areas in the existing facility that do have the newer generation of the Herman Miller cubicles may be more suitable to reuse in-place under the City Hall Space Planning Capital Project (PE-19000), and avoid expenses associated with a mixed design and move of applicable furniture. As a result, virtually all furniture items will be replaced due to their condition and infeasibility of direct re-use.

PSB offices and staff workspaces will be furnished with City-standard Herman Miller modular furniture with finishes matching recent tenant improvements at City Hall and the Municipal Services Center (MSC). If modifications are needed in the future due to changing needs, City staff will be able to source from the current in-house spare parts inventory where possible. Lobby, break area, and staff seating fabrics were selected to withstand public use over the years and for easy cleaning by the City’s maintenance staff. Typically, the selected furniture should last a minimum of 12 years with normal usage and occasional maintenance.

In order to remove unnecessary furnishings, staff modified the original furniture plans from 2019 as follows:

1. Removed cubicle fabric tiles that were up against walls on the backside of cubicle walls.
2. Consolidated power in cubicles to avoid having additional powered raceways.
3. Removed standard under cabinet lighting where lighting was sufficient or rarely used by staff.
4. Removed unnecessary cubicle walls and overhead storage on the third-floor administrative counter area and replaced it with freestanding desks.

5. Removed overhead storage where no longer needed in offices on the first floor.

As a result, and between the two purchase orders, the City will be purchasing the following items:

- 118 staff task chairs
- 59 cubicles and 27 furnished offices
- 12 staff workstations
- 56 chairs and 21 tables for staff break areas
- 28 chairs and 6 tables for public lobbies
- 61 tables for conference or multi-purpose areas
- 152 chairs for conference and multi-purpose areas
- 31 communal storage units
- 40 pieces of various electronics such as power modules for tables and desk lighting.

Per Palo Alto Municipal code 2.30.360(j), the City can take advantage of cooperative purchasing agreements provided: (i) the services are solicited using methods substantially similar to those required under the Municipal Code, as determined by the Procurement Officer; and (ii) the contract is consistent with the requirements under the Municipal Code. OMNIA Partners (OMNIA) and Sourcewell provide discounts for government entities purchasing furniture from brands such as Herman Miller, Steelcase, and Coalesse. The cooperative purchasing agreement contracts were competitively solicited and publicly awarded through the cooperating purchasing organizations and the purchase orders are consistent with the requirements of the Municipal Code. Cooperative purchasing programs allow government organizations to use a single solicitation with the best value and favorable terms and conditions.

Each purchase order includes a material cost for furniture and accessories, freight and installation of furniture, and project management fees including layout design from the vendor. Council authorization for a 10% contingency on these Purchase Orders is also included and recommended for minor changes, additions, and for storage fees if there are unforeseen project delays that prevent delivery and installation during the specified calendar window.

Furniture sourced through Pivot Interiors Inc. has a lead time of 10-16 weeks, and furniture sourced from One Workplace has a lead time of 18-20 weeks. Staff also expects manufacturing costs to increase on July 1, 2023 for Herman Miller and its subsidiaries.

#### Project Timeline

While the project is progressing well toward completion, it should be noted that construction contract substantial completion dates often change during construction as change orders can authorize additional time for various issues that affect the critical path. Staff and the construction manager believe that the PSB is on track for substantial completion in October.

Following substantial completion, the “move-in” phase of the project will continue for several months for the installation and testing of several highly-technical and critical Public Safety, IT, Security, and Communications systems that will be housed at the new PSB. Activities that will be performed during the move-in phase, include:

- Completion of punchlist items – minor issues identified during inspections to be corrected prior to final completion of the construction contract, but that do not necessarily impact substantial completion
- Furniture Delivery and Installation
- Installation, Testing and Commissioning of City / Police IT systems
- Commissioning of 9-1-1 telephone and dispatch systems
- Commissioning of Radio Systems and Equipment
- Phased relocation of Dispatch Operations
- Integration of the new facility with neighboring agencies, including Silicon Valley Regional Interoperability Authority (SVRIA)
- Phased re-location of Police, Fire Department Administration and Office of Emergency Services staff from the existing facility to the new PSB site

Some move-in items will occur during construction. The move-in phase is expected to continue for 3-4 months after substantial construction completion, with the new facility projected to become fully-operational in early 2024.

#### **FISCAL/RESOURCE IMPACT**

Funding for these Purchase Orders for a total of \$1,236,250 is available in the Fiscal Year 2023 Adopted Capital Improvement Program budget for the Public Safety Building capital project (PE-15001) and does not increase the overall PSB budget approved by Council when the construction contract was approved in early 2021.

The Purchase Order for One Workplace includes furniture from Steelcase, Coalesse, Enwork, and Jasper Seating. The following totals including applicable taxes are shown below for One Workplace.

<b>Item</b>	<b>Amount</b>
Furniture and accessories	\$359,338.40
Freight and Installation	\$45,805.22
Project Management	\$31,428.00
Contingency	\$43,657.16
<b>Total</b>	<b>\$480,228.78</b>

The Purchase Order for Pivot Interiors Inc. includes furniture from Herman Miller and its subsidiary companies including HAY, Geiger, and Naughtone. The following totals including applicable taxes are shown below for Pivot Interiors.

<b>Item</b>	<b>Amount</b>
Furniture and accessories	\$526,261.33
Freight and Installation	\$121,956.77
Project Management	\$39,073.30
Contingency	\$68,729.14
<b>Total</b>	<b>\$756,020.54</b>

#### **STAKEHOLDER ENGAGEMENT**

Public Works has coordinated the furniture design with key staff from departments whose operations will be dependent upon the PSB.

#### **ENVIRONMENTAL REVIEW**

An Environmental Impact Report for the PSB and the New California Avenue Area Parking Garage was prepared and certified by Council on June 11, 2018, by adoption of Resolution No. 9772.<sup>2</sup>

#### **ATTACHMENTS**

Attachment A: Purchase Order with Pivot Interiors Inc.

Attachment B: Purchase Order with One Workplace

#### **APPROVED BY:**

Brad Eggleston, Director Public Works/City Engineer

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<sup>2</sup> Resolution 9772, 2018

<https://www.cityofpaloalto.org/files/assets/public/city-clerk/resolutions/reso-9772.pdf?t=40475.53>