



## Legislation Details (With Text)

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<b>Title:</b>	Staff Report for a Resolution of the City of San Leandro City Council to Approve a Non-Professional Services Agreement with Krueger International, Inc. for Procurement and Installation of Furniture in the Amount of \$211,928 for the Police Building and South Office Modifications Project, Project No. 2014.0481				
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Staff Report for a Resolution of the City of San Leandro City Council to Approve a Non-Professional Services Agreement with Krueger International, Inc. for Procurement and Installation of Furniture in the Amount of \$211,928 for the Police Building and South Office Modifications Project, Project No. 2014.0481

## SUMMARY AND RECOMMENDATIONS

Staff recommends approval of the Non-Professional Services Agreement (NPSA) with Krueger International, Inc. for the procurement and installation of new furniture associated with the subject project.

## BACKGROUND

The Police Building and South Office Modifications Project is currently under construction. The scope of work includes tenant improvements at the South Office Building and two-thirds of the first floor of the Public Safety Building. The renovated portions of the buildings require new tables, desks, chairs, and other typical office furniture.

## Analysis

Furniture purchase is not well suited to competitive bidding. Materials, patterns, styles, quality, and durability are not identical between furniture manufacturers. Specifying particular items restricts bidding to only one manufacturer. When only one manufacturer can bid without competition, there is no incentive to provide low prices. Specifying general requirements for furniture fosters competition but quality and design are hard to judge and the process can result in low quality items or items that do not meet functional design standards.

Public agencies commonly purchase furniture through multi-agency negotiated contracts. These contracts are commitments to provide specific items at set prices. The evaluation process varies depending on the products supplied; in general, bidders are evaluated based on pricing and quality. Contracts are typically one or two years in duration. The City successfully used multi-agency negotiated contracts for the kitchen renovations at the Marina Community Center and the purchase of a fire engine.

Public agencies in California can purchase furniture through a negotiated contract managed by the Foundation for California Community Colleges (FCCC). In 2018, the FCCC, the California State University System, and the Association of Independent California Colleges and Universities worked together to issue a Request for Proposals to establish a multiple-award contract for purchasing furniture. Ten furniture vendors received contracts based on pricing, warranty, and durability.

Krueger International, Inc. (KI) has a multi-agency contract through the FCCC and has furniture that meets the City's quality and design requirements. KI is a furniture manufacturer that began in 1941 in the United States and now operates around the globe; their closest office is located in San Francisco. The City currently has KI furniture in the Sister Cities Gallery Room. KI's furniture pricing through the FCCC contract is approximately 50% below listed retail prices. Staff has reviewed KI proposal and has judged that it will meet the quality, design and budget requirement for the project and therefore recommends approval of KI NPSA for the furnishings of the Police Building and South Office Modifications Project.

### **Current Agency Policies**

- Provide quality public safety service and grow our partnership with the community to keep San Leandro safe

### **Previous Actions**

- On December 2, 2013, the City Council by Resolution No. 2013-151 approved a consulting services agreement with Indigo/Hammond & Playle Architects, LLP for the South Offices Space Planning Project.
- On July 28, 2014, two conceptual plans were presented to the City Council at a work session. Of the two design options presented, the City Council selected the option recommended by staff.
- On October 5, 2015, the City Council by Resolution No. 2015-171 deferred \$542,000 in project funding from FY 2016 to FY 2017.
- On November 7, 2016, the City Council by Resolution No. 2016-145, approved a consulting services agreement with Indigo/Hammond & Playle Architects, LLP for design services related to the Police Building and South Offices Modifications Project.
- On July 3, 2017, the City Council by Resolution No. 2017-093 approved Amendment No. 1 to the design contract with Indigo/Hammond & Playle Architects, LLP for design services to convert the theater space inside the South Offices Building to a new community meeting room.
- On November 6, 2017, the City Council by Resolution No. 2017-157 deferred \$560,000 in project funding from FY 2017 to FY 2019.
- On November 5, 2018, the City Council by Resolution No. 2018-136 awarded a construction contract to D. L. Falk Construction, Inc. and authorized the appropriation of additional funding

towards construction of the subject project

- On November 19, 2018, the City Council by Resolution No. 2018-139 approved a Consulting Services Agreement with Indigo / Hammond & Playle Architects in the amount of \$394,090 for construction support services related to the subject project

### **Committee Review and Actions**

- On June 7, 2017, staff presented the 60% design plans and a project update to the City Council Facilities and Transportation Committee.
- On May 2, 2018, staff presented the 100% design plans and updated project cost projection to the City Council Facilities and Transportation Committee.

### **Applicable General Plan Policies**

GOAL CSF-1: Provide and maintain high-quality police, fire, and emergency medical services.

### **Permits and/or Variances Granted**

Building permits were issued for the construction of the subject project by the City's Building and Safety Services Division of the Community Development Department.

### **Environmental Review**

This project was deemed Categorically Exempt per California Environmental Quality Act (CEQA) section 15301 (A and C) - Existing Facilities.

### **Fiscal Impacts**

The total estimated project cost of the Police Building and South Offices Modification Project is \$9,417,686 as detailed below:

Indigo design contract	\$842,002
Other design costs	\$289,779
Construction contract	\$6,268,000
Construction contingency (8.2%)	\$514,365
Indigo construction support contract	\$394,090
Construction administration (City)	\$150,000
Construction inspection (CSG)	\$357,120
Misc. testing and inspections	\$83,845
Dispatch consoles	\$108,588
Furnishings	\$211,928
Other construction costs	\$55,076
Phones, IT, and A/V equipment	\$142,893
<b>Total</b>	<b>\$9,417,686</b>

### **Budget Authority**

Funding allocations for the Police Building and South Office Modifications Project are as follows:

<u>Account No.</u>	<u>Source</u>	<u>FY/Approp. Date</u>	<u>Amount</u>
210-18-137	General Fund	FY15/16	\$208,000
210-18-137	General Fund	FY16/17	\$1,556,983
210-18-145	General Fund, CIP Bond	FY18/19	\$5,000,000
210-18-137	General Fund	FY17/18	\$560,000
210-18-146	General Fund, CIP Bond	FY18/19	\$1,150,000
<u>210-18-146</u>	<u>General Fund, CIP Bond</u>	<u>Reso 2018-136</u>	<u>\$943,000</u>
Total Appropriation			\$9,417,983

**Attachment to Related Legislative File**

- NPSA - KI Furniture

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