

COUNCIL AGENDA: 10-26-04

ITEM: 3.5

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Terry Roberts  
Jim McBride

**SUBJECT:** STATUS REPORT ON  
NEW CITY HALL SYSTEMS  
FURNITURE PROCUREMENT

**DATE:** 10-19-2004

Approved

Date

10-20-04

Council District: City-Wide



The New San José City Hall

## INFORMATION NON-CONSTRUCTION ACTIVITY

### RECOMMENDATION

Acceptance of the staff report providing an update on the procurement for systems furniture at the new City Hall.

### BACKGROUND

This report is to update the Council on the status of the systems furniture procurement for the new City Hall project. An informational report on this subject was forwarded to Council on September 30, 2004.

This procurement package is now out for bid. The package was advertised beginning October 1, 2004 as a low bid procurement. The schedule calls for a tentative return to Council for award on December 14, 2004.

The plan also follows the Council approved directive of February 3, 2004 for staff to include the alternative to purchase used furniture, maximize the re-use of existing systems furniture, increase competition, and provide flexibility through a variety of alternatives. The plan opens up the

bidding to all brands of systems furniture that meet the City's specifications. We expect at least five furniture manufacturer's products (each with the potential for several suppliers) will qualify under these specifications. To further the competition and to encourage small and local business participation, staff has actively promoted this bid package to small and local businesses through direct contact with the San José/Silicon Valley Chamber of Commerce.

## **ANALYSIS**

The bid documents have been structured to allow for comparative pricing on a series of options, allowing the City to take advantage of the option that best meets the City's needs. It should be noted that this bid package and the options below are for systems furniture only. Freestanding furniture will be bid separately at a later date. The options for systems furniture procurement are summarized as follows.

### **Options**

**Option A:** This option provides for acquisition and installation of systems furniture that is either new or used, but in very good condition. This option allows for comparative pricing on the replacement of our existing inventory and installation prior to moving staff into the facility.

By including the used element in this bid option, the City is looking to increase opportunities and competition by engaging the used furniture market. Product performance specifications are included in the bid package to insure that the quality of this furniture meets the City's needs.

There are several advantages to this scenario. Primarily, Option A delivers a system furniture setup throughout the building prior to our move-in. This allows for electrical and data connection, and systems testing and troubleshooting throughout the facility prior to move-in. In addition, this option insures that the furniture throughout the facility is of a common manufacturer's line. This will aid in future layout changes and simplify maintenance. Additionally, it will be more efficient to set up the facility prior to move-in. Specifically, there will be less congestion in the use of elevators, parking, and loading areas.

This option includes the opportunity to sell-back the City's existing systems furniture to the vendor if it is to the City's economic advantage.

**Option B:** Included in this option is the installation of systems furniture panels that are either new or used, but in very good condition, and the re-use of the current inventory of component products (work surfaces, storage shelves, etc). This option balances the acquisition of new furniture panels with the re-use of existing inventory.

This option allows for the erection of the panel system prior to our move-in. Like Option A, this approach would allow for electrical and data connection installation, and systems testing and troubleshooting throughout the facility prior to move-in. Staff will be able to insure that

everything from power connections to computer and phone connections are functional. The systems furniture component items would then be added from the existing inventory as the move-in progresses.

**Option C:** This option entails the substantial re-use of existing systems furniture - both panels and components. With this option comes the opportunity to maximize the re-use of systems furniture.

Whereas Options A and B provide for setup of panels at an early point in the relocation effort, Option C programs this element within the move itself. This reduces the flexibility in the move window for the re-assembly of the furniture as well as the installation of electrical and data connections.

This option requires a supplement (Option D) because of the increased number of systems furniture staff spaces in the new building as compared to the current use of more offices and freestanding furniture.

**Option D:** This option provides new or used systems furniture to supplement Option C. The need for this option arises because of the increase in systems spaces versus hard-wall offices, as well as the substantial reconfiguration of space.

Because this option is smaller than the combined options of A and B, bidding this separately allows for increased competition as well as providing an opportunity for small and local business.

### **PUBLIC OUTREACH**

Staff has implemented an outreach program to insure that small and local business is aware of and has the opportunity to participate in this project. This included a presentation to the San José/Silicon Valley Chamber of Commerce as well as focused bid alerts to individual vendors. The bid was posted on the City's bidline and broadcast nationwide using Demandstar and over 20 vendors showed interest by downloading the initial documents. There were a total of seven vendors present at the mandatory bid meeting and all of these are expected to provide bids for some or all of the options.

### **COORDINATION**

The City Manager's Office, City Attorney's Office, General Services, and other City departments have all thoroughly reviewed the bid specifications and process, and agree with the procurement plan and process.

HONORABLE MAYOR AND CITY COUNCIL

**Subject: Status Report on NCH Systems Furniture Procurement**

10-19-04

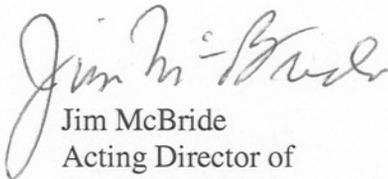
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In developing this bid package, staff has worked closely with the City Attorney's office to insure that all requirements for this type of procurement have been met.

**CONCLUSION**

At the October 26<sup>th</sup> Council meeting, staff will be available to make a presentation on this bid package and to answer any questions Council may have. Bids for this project are currently scheduled for December 6, 2004, but may be advanced by one week. Staff tentatively plans to return to Council with an award recommendation at the December 14th Council meeting. This will allow for the start of installation in the April to June 2005 timeframe, depending on the option awarded.

The TFE&R budget for the systems furniture is \$6.0 million. Bidding the options indicated above will provide the City with the most flexibility to select a systems furniture plan that will save money while providing a complete solution with the target of being well under budget.



Jim McBride  
Acting Director of  
General Services



Terry Roberts  
Deputy City Manager

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