



DATE: MAY 16, 2019
FROM: ENGINEERING
SUBJECT: RESOLUTION NO. _____ - APPROVAL OF CONTRACT WITH UNISOURCE SOLUTIONS FOR THE PURCHASE OF NEW HAWORTH, INC. MODULAR OFFICE FURNITURE SYSTEMS FOR THE HARBOR ADMINISTRATION BUILDING (4TH AND 5TH FLOORS)

SUMMARY:

Staff requests approval of an Annual Contract (Bid No. F-1042), Contract No. 39884 with Unisource Solutions for the purchase of 275 new Haworth, Inc. modular office furniture systems for the 4th and 5th floors at the Harbor Administration Building (HAB) in the amount of \$3,631,929.94. The proposed Annual Contract will enable the Harbor Department (Department) to consolidate current workspaces in the HAB, create 38 new workstations, and facilitate the relocation of staff currently working at the Topaz Building (Topaz).

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Find that in accordance with the Los Angeles City Charter Section 1022, the services proposed to be contracted could be more feasibly performed by an outside contractor than by City employees;
3. Approve Annual Contract (Bid F-1042), Contract No. 39884 with Unisource Solutions for the purchase of 262 new Haworth, Inc. office furniture systems in the amount of \$3,631,929.94 to replace the 4th and 5th floor workspaces of the Harbor Administrative Building;
4. Authorize the Executive Director to execute and Board Secretary to attest to the said systems furniture purchase order for and on behalf of the Board of Harbor Commissioners; and
5. Adopt Resolution No. _____.

DATE: MAY 16, 2019

PAGE 2 OF 4

SUBJECT: HAB NEW MODULAR OFFICE FURNITURE SYSTEMS

DISCUSSION:

The current HAB furniture system is over 35 years old, no longer manufactured, and is the original system installed at HAB in 1981. Many of the existing modular panels have lost their power and telecommunication connections requiring the use of power surge strips to run electricity. Many existing work stations also have inoperable overhead and under cabinet lighting, and there are very few working pieces available for space reconfigurations. Most existing panels have been reused many times in reconfigurations and are missing covers, caps, and connectors. These existing panels no longer fit accurately and fall off, or wall coverings are torn. Lastly, the existing modular panels do not conform to the new City of Los Angeles workspace standard size dimensions.

Four different furniture systems were evaluated and compared for their cost and best functional use to address the Department's needs. The selected system resulted in being the most affordable one.

Board approval of this request will benefit the Department by upgrading outdated infrastructure, re-aligning Division assignments to improve reporting and working relations as well as creating room for future staff growth. New modular systems will allow for safe, consistent electrical and data connections, appropriate task lighting, clean fittings, a refreshed appearance, and most importantly the ability to size the office spaces in accordance with the City of Los Angeles' workspace standards and to add 26 additional stations to the HAB's 4th floor and 12 additional on the 5th floor to accommodate staff from Topaz into the HAB.

Effective on November 01, 2018, the County of Fairfax Virginia issued Contract No. 4400003402 for the purchase of modular office furniture. Pursuant to Sections 371 (e) (8) of the City Charter and 10.15 (a) (8) of the Los Angeles Administrative Code, it is recommended that the Department piggyback on the County of Fairfax Virginia with US Communities. The County of Fairfax Virginia Agreement provides for competitive rates, and the Department will benefit from the leveraged purchasing power and high volume government discounts on the contract. Many City of Los Angeles Departments such as Department of General Services (GSD), Department of Public Works: Bureau of Engineering (LADWP:BOE), and Los Angeles World Airports (LAWA) have piggybacked on this contract.

Effective December 14, 2016, the Department renewed its lease at Topaz to accommodate approximately 40 staff under Agreement 16-3421 for a 64 and ½ month term ending April 30, 2022. As of December 14, 2018, the Department paid base monthly office space rent of \$36,058 and \$3,225 for monthly parking. The base monthly office space rent will increase to \$37,196 on December 14, 2019. Total office space and parking rent cost in Fiscal Year 2019/2020 would be \$478,224.

SUBJECT: HAB NEW MODULAR OFFICE FURNITURE SYSTEMS

As per Section 3(c) of Agreement 16-3421, the Department has the option to cancel its lease at Topaz on December 13, 2019 and will pay a cancellation fee which has been estimated to be \$219,804.49.

Concurrently, a separate vendor will install new 4th floor carpet which will require separate Board of Harbor Commissioners (Board) approval. The Construction and Maintenance Division will install new electrical wiring, relocate light fixtures, relocate doors, demolish, patch and paint walls. The Information Technology Division will install new telecommunication cables. The total cost for all of this work, including furniture, is \$5,820,700 and is budgeted in the Capital Improvement Program.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of an Annual Contract with Unisource Solutions, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the Annual Contract would require the Department to pay \$3,631,929.94, inclusive of furniture, fixtures, equipment and labor to construct and install all modular office furniture systems. If the Department subsequently relocates staff from Topaz to the HAB on or before December 13, 2019, then the Department would save \$242,526 in Fiscal Year 2019/2020, but would be subject to a one-time cancellation fee of \$219,804.49.

Funds for Fiscal Year (FY) 18/19 in the amount of \$987,966 have been budgeted in Account No. 55010, Center No. 1003, Program No. 000 and have been approved as part of the annual budget process. The Department's financial obligations beyond FY 18/19 are contingent upon the Board of Harbor Commissioner's appropriation of funds as part of the annual budget process.

Estimated spending for this contract is as follows:

Fiscal Year (FY)	Amount
FY 18/19	\$ 987,966.00
FY 19/20	\$ 2,643,963.94
Total	\$ 3,631,929.94

Labor costs associated with post-installation maintenance will be limited to staff time incurred by the Engineering and Construction & Maintenance Divisions. Award of any contracts associated with replacement of furniture, fixtures and equipment post-installation would require Board approval under separate future actions.

DATE: MAY 16, 2019

PAGE 4 OF 4

SUBJECT: HAB NEW MODULAR OFFICE FURNITURE SYSTEMS

CITY ATTORNEY:



The Office of the City Attorney has reviewed and approved the Annual Contract as to form and legality.

TRANSMITTALS:

1. Purchase Order
2. Vendor quotes
3. County of Fairfax, Virginia contract
4. Phasing plan and schedule



DAVID M. WALSH, P.E.
Chief Harbor Engineer

FIS Approval: 
CA Approval: 



ANTONIO V. GIOIELLO, P.E.
Deputy Executive Director,
Development

APPROVED:



EUGENE D. SEROKA
Executive Director

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