



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: DECEMBER 7, 2010

FROM: OPERATIONS AND DEVELOPMENT BUREAUS

SUBJECT: RESOLUTION NO. _____ PURCHASING AND INSTALLATION OF PRE-OWNED OFFICE FURNITURE FOR THE HARBOR DEPARTMENT ADMINISTRATION OFFICE BUILDING AND PORT POLICE WATER STREET BUILDING

SUMMARY:

Staff requests approval of Contract No. 39555 between the City of Los Angeles Harbor Department (Harbor Department) and Corporate Office Interiors of Orange County to provide, deliver, and install pre-owned office furniture to the above subject building facilities, as a part of the Harbor Department's Space Needs Action Plan (SNAP), at a cost of \$641,315. This amount represents a savings of approximately \$250,000 versus purchasing new equipment. When approved by the Board of Harbor Commissioners (Board) this action will authorize the above contract for the acquisition of the furniture and installation.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve Contract No. 39555 with Corporate Office Interiors for the total sum of \$641,315 for the purchase, delivery, and installation of pre-owned office furniture to the Fifth Floor - Harbor Administrative Building (HAB) and Los Angeles Harbor Department Port Police Water Street building.
2. Authorize the Executive Director to execute and the Board Secretary to attest to Contract No. 39555 for and on behalf of the Board; and
3. Adopt Resolution No. _____.

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SUBJECT: PURCHASING AND INSTALLATION OF PRE-OWNED OFFICE FURNITURE

DISCUSSION:

The Harbor Department is in the process of renovating and remodeling the Harbor Administration Building in order to provide a more modern and efficient environment for employees and the community in conjunction with the Harbor Department's Space Needs Action Plan (SNAP). As part of this project each floor will receive new modular furniture to replace the existing 30-year old furniture that is outdated, no longer in manufacture, and often breaks down. This request is for the fifth floor as part of the overall program. In addition, the existing systems' pre-installed electrical components are insufficient for the current office electrical, telecommunications, and information technology (IT) needs, creating short circuits within the electrical systems causing interruption in the Harbor Administration Building's electrical and IT service.

As a result the Harbor Department has taken the initiative to start replacing the existing furniture with pre-owned furniture. During a remodel of the Finance Division spaces last year, a portion of the furniture on the fourth floor was replaced with new furniture. With the remodel of the lobby reaching completion the focus has shifted to replacing the furniture on the fifth floor, a portion of which will be used as the temporary "swing space" area while divisional furniture is being replaced elsewhere in the building. Initially, the plan was to replace the fifth floor furniture with new Allsteel furniture at a projected cost of over \$900,000 dollars for the minimum amount of furniture required.

In an effort to cut costs, the SNAP team, consisting of personnel from the Development and Operations Bureaus, searched for and identified used furniture that could be obtained at a substantial savings. This purchase would include furniture for the fifth floor, a substantial amount of spare panels and parts, additional furniture for the Water Street building, specifically the Maritime Training Facility, and furniture for the lobby remodel. Unfortunately, the company, Corporate Office Interiors, only had sufficient matching furniture for one full floor and is unable to hold this furniture without an approved contract. The furniture is less than a year old and of very high quality. The savings for the fifth floor alone is approximately \$250,000, not including the savings on cost of spare parts or the Water Street building furniture.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a contract for the acquisition and installation of office furniture. As an administrative action, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have minimal employment impact in the region (less than one full-time equivalent job).

FINANCIAL IMPACT:

The total cost of the proposed pre-owned furniture purchase is \$641,315. Based on estimates obtained to procure new furniture this represents a savings of approximately \$250,000. The total estimated cost for the fifth floor remodel project is \$1,894,000. The purchase of furniture for this project was not budgeted in FY 2010/2011 and was anticipated to be completed in FY 2011/2012. This expenditure for furniture represents 34% of the total estimated cost of the fifth floor remodel. The selection of Corporate Office Interiors resulted from a review for the most efficient, durable and cost effective office furniture available. Maintenance on this furniture is expected to be nominal and while the furniture has an expected depreciable life of 10 years, the equipment is expected to last longer.

Funding for this purchase in the amount of \$641,315 is available in the current fiscal year 2010/2011 CIP budget, Account 55010 (Parts and Materials), Work Order Nos. 24908 (Fifth Floor Remodel) and 24896 (300 E. Water Street), Center Nos. 1003 and 1179, Program Nos. 000 and 642, respectively. The pre-owned furniture purchase is an unanticipated expense and will use funds originally planned to be spent on other projects but is expected to be replenished through a forthcoming board report requesting additional monies be added to the CIP budget from the Unappropriated Funds balance.

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CITY ATTORNEY:


The Office of the City Attorney has reviewed and approved the proposed contract as to form and legality.


TRANSMITTALS:

1. Contract & Purchasing Division's BID Transmittal No. F-712 of November 12, 2010
2. BID Recap Sheet of November 10, 2010
3. Formal Request for BID Sheets of November 4, 2010



JOHN M. HOLMES
Deputy Executive Director, Operations

FIS Approval:  (initials)



MICHAEL R. CHRISTENSEN, P.E.
Deputy Executive Director, Development

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

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