



THE PORT  
OF LOS ANGELES  
Executive Director's  
Report to the

Board of Harbor Commissioners

**DATE: NOVEMBER 21, 2019**

**FROM: ENGINEERING**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF CONTINGENCY FOR EXISTING CONTRACT NO. 39884 WITH UNISOURCE SOLUTIONS FOR THE PURCHASE OF NEW HAWORTH, INC. MODULAR OFFICE FURNITURE SYSTEMS FOR THE HARBOR ADMINISTRATION BUILDING (4<sup>TH</sup> AND 5<sup>TH</sup> FLOORS), AND AMENDMENT NO. 1 FOR ADDITIONAL MOVING SERVICES**

**SUMMARY:**

The Board of Harbor Commissioners (Board) awarded 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 4<sup>th</sup> and 5<sup>th</sup> floors at the Harbor Administration Building (HAB) in the amount of \$3,631,929.49 at their meeting of May 16, 2019.

Staff requests approval to add the \$150,000 contingency to Contract No. 39884 for any unforeseen conditions, added or revised scope, extra removals or installations, and any additional related services during the installation of the new furniture systems on the 4<sup>th</sup> and 5<sup>th</sup> floors of the HAB. Staff omitted the contingency amount of \$150,000 shown as Item No. 42.1 on Page 17 of Contract No. 39884 when the Board approved the contract amount of \$3,631,929.49.

Staff also requests approval of Purchase Order Change No. 1 (PO Change) in the amount of \$310,431.87 for moving services, rental of temporary workstations, and storage fees for City of Los Angeles Harbor Department (Department) purchased materials. If the Board approves this resolution the total revised contract amount would be \$4,092,361.36. The Department will be financially responsible for payment of expenses incurred under the proposed PO Change. Any unspent monies at the expiration of this contract remain with the Harbor Department.

**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;

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3. Approve a contingency in the amount of \$150,000 to Annual Contract (Bid F-1042) Contract 39884 with Unisource Solutions for the purchase of 275 new Haworth, Inc. modular office furniture systems to replace the 4<sup>th</sup> and 5<sup>th</sup> floor workspaces of the Harbor Administration Building;
4. Approve Purchase Order Change No. 1 in the amount of \$310,431.87 to Annual Contract (Bid F-1042), Contract No. 39884 with Unisource Solutions for moving services, rental of temporary workstations, and storage fees;
5. Authorize the Executive Director to execute and Board Secretary to attest to the said contract increase to Annual Contract (Bid No. F-1042) for and on behalf of the Board of Harbor Commissioners; and
6. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

The Board of Harbor Commissioners awarded Annual Contract (Bid No. F-1042), Contract No. 39884 (Transmittal 1) with Unisource Solutions for the purchase of 275 new Haworth, Inc. modular office furniture systems for the 4<sup>th</sup> and 5<sup>th</sup> floors at the Harbor Administration Building (HAB) in the amount of \$3,631,929.49 at their meeting of May 16, 2019.

Staff requests approval to add the \$150,000 contingency to Contract No. 39884 for any unforeseen conditions, added or revised scope, extra removals or installations, and any additional related services during the installation of the new furniture systems on the 4<sup>th</sup> and 5<sup>th</sup> floors of the Harbor Administration Building. Staff omitted the contingency amount of \$150,000 shown as Item No. 42.1 on Page 17 of Contract No. 39884 (Transmittal 2) when the Board approved the contract amount of \$3,631,929.49.

Staff also requests approval of PO Change (Transmittal 3) in the amount of \$310,431.87 for moving services, rental of temporary workstations, and storage fees for Department purchased materials.

The Department intended to utilize Construction and Maintenance (C&M) staff to move all personnel items and office equipment to and from the temporary workstations, and to purchase all moving related materials (boxes, bins, moving services, etc). C&M crews are currently fully allocated on a number of Harbor Administration Projects and staff proposes to shift this activity to Unisource Solutions. This will not increase the total project budget but does require Board approval to increase the contract authority for Unisource Solution for these moving services.

In addition, the Department planned to use the Department's existing surplus furniture for temporary work stations while the new furniture systems are installed and commissioned on the 4<sup>th</sup> and 5<sup>th</sup> floors. The Department's existing surplus furniture is missing many

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parts and connectors necessary for buildout. These missing parts and connectors require custom fabrication for a one-time temporary installation. Unisource Solutions can provide temporary rental workstations for employees during the installation of new workstations on the 4<sup>th</sup> and 5<sup>th</sup> floor that would be removed when no longer needed. Department staff has determined it is less expensive to rent temporary work stations.

Coordinating and executing the complex move out of existing office space into temporary office space and back into new office space has been much more complex than originally anticipated. Staff is trying to minimize the disruption to individuals, Sections, Divisions, and Bureaus by limiting the number of moves and minimizing the duration of locating staff in temporary spaces. This has postponed the start of the project and has led to storage fees being incurred to store new materials off-site.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of a contingency and a PO Change to the 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 proposed action would approve a contingency in the amount of \$150,000 and a PO Change of \$310,431.87 for a revised contract amount of \$4,092,361.36, inclusive of furniture, fixtures, equipment and labor to construct and install all modular office furniture systems, rental material, moving services, and storage fees.

Funds for Fiscal Year (FY) 19/20 in the amount of \$2,034,400 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 19/20 are contingent upon the Board of Harbor Commissioners' appropriation of funds as part of the annual budget process.

Estimated spending for this contract is as follows:

<b>Fiscal Year (FY)</b>	<b>Amount</b>
FY 19/20	\$ 2,034,400.00
FY 20/21	\$ 2,057,961.36
<b>Total</b>	<b>\$ 4,092,361.36</b>

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.

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**CITY ATTORNEY:**

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

**TRANSMITTALS:**

1. Board Resolution No. 19-9478 (Contract 39884) adopted by the board on May 16, 2019
2. Annual Contract (Bid No. F-1042) Contract No. 39884 with Unisource Solutions (Pages 1-20)
3. Purchase Order Change No. 1 to Annual Contract

FIS Approval: MB

CA Approval: AG



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APPROVED:



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