



Department: Information Technology
Cost Center: 1101
For Agenda of: 2/4/2025
Placement: Consent
Estimated Time: N/A

FROM: Greg Hermann, Deputy City Manager
Prepared By: Rebecca Cox, Business Analyst

SUBJECT: AUTHORIZATION TO ADVERTISE THE FINANCE AND IT OFFICE TENANT IMPROVEMENT PROJECT, SPECIFICATION NO. 2000114-02

RECOMMENDATION

1. Approve the Project Plans and Special Provisions for the Finance and IT Office Tenant Improvement (TI) Project, Specification 2000114-02; and,
2. Authorize advertisement of the Finance and IT Office Tenant Improvement Project; and,
3. Authorize the City Manager to award the Construction Contract pursuant to Section 03.24.190 of the Municipal Code, for the Finance and IT Office Tenant Improvement project Specification No. 2000114-02 if the lowest responsive bid is within the Engineer's Estimate of \$1,464,200; and
4. Authorize the City Engineer to approve Contract Change Orders up to the available project budget; and
5. Authorize the Finance Director to appropriate up to \$249,000 in funding from Capital Projects Reserve Fund to award construction contract for the Finance and IT Office Tenant Improvement Specification number 2000114-02; and
6. Authorize the Finance Director to return unspent Capital Reserve funding to the Capital Reserve Fund balance after project completion.

POLICY CONTEXT

Per the Financial Management Manual, Section 203: Public Works Projects, Construction Contracts and Job Order contracts, Council approval is required for Public Projects that cost over \$200,000. The Engineer's estimate for the project is \$1,464,200.

In June 2021, the City Council established the Fund Balance and Reserve Policy ([Resolution No 11250, 2021 Series](#)). This policy established the Capital Projects Reserve Fund and committed a reserve of 20% of capital improvement plan budget from the Local Revenue Measure for the purposes of offsetting unanticipated cost increases, unforeseen conditions, and urgent unanticipated projects to provide continued investment in infrastructure maintenance and enhancement. Use of funds from the Capital Project Reserve Fund requires Council approval and the current request seeks \$249,000 from this fund to fully fund the anticipated costs of construction for this project.

DISCUSSION

Background

Since being built in the 1950s, City Hall has been through various seismic safety updates, HVAC retrofits, remodels, and reconfigurations. The Finance and IT Office TI project will provide permanent space for staff currently working in temporary spaces, make ADA improvements on the first floor of City Hall for the public and staff, address safety concerns for the Finance front counter, improve the accessibility of meeting spaces on the first floor of City Hall for the public and staff, and increase the availability of meeting rooms in City Hall. This project also consolidates the functions of the Finance Department and IT Division to improve efficiency between work groups.

This project completes various work efforts to accommodate new programs and positions which has included the Human Resources Department relocation to the leased space at 994 Mill, the Attorney's Office relocation to the former Human Resources Department space at City Hall and other shifts. The project also addresses ADA deficiencies and makes improvements to the first-floor restrooms and break room. The visibility of the Finance Department's front counter and the ability of additional staff to respond to the counter were high-priority items identified in previous safety assessments and are achieved with this project. In addition, the project relocates the current Finance and IT Conference Room to be directly available from the main public hallway, creating a more accessible space for community and advisory body meetings. The project Plans (Attachment A) and Specifications (Attachment B) are attached for reference.

During the period of construction, the Finance public counter will be relocated to the 919 Palm office public counter and will maintain the current hours and days of operation : Monday-Thursday, 8AM-4PM. Signage will be posted at City Hall for the duration of the project directing community members to 919 Palm for front counter assistance and staff will communicate the change to the public using the City's various communication tools, including e-notification. Construction is projected to last four months, spanning from mid-April through August. It is not anticipated that construction will affect public access or use of the second floor of City Hall (including the public counter in the Clerk's Office.)

Previous Council or Advisory Body Action

This project was identified in the FY22 Year End Report ([10/04/2022 City Council Meeting – Item 6a](#). – pg.19) with FY22 carryover funding approved by Council, and an additional allocation approved in the FY25 Supplement Budget ([06/04/2024 City Council Meeting – Item 6a](#) – pg. 61, 65).

Public Engagement

This capital project was included in the FY22 Year End Report on October 4, 2022, at which time the public was provided an opportunity to review and comment on all capital projects and significant operating budget changes (SOBC). Public comment can also be provided to the City Council through written correspondence prior to the meeting and through public testimony at the meeting.

CONCURRENCE

There is concurrence from the Community Development and Public Works Department through their review of the project for building permit issuance. Building permits will be obtained prior to the start of the construction contract. All comments and conditions associated with the building and safety review of the project will be incorporated into the project's design. The project also has concurrence from the Finance Department and Information Technology Division through their extensive review and involvement in the design process.

Additionally, there is concurrence from the Community Development Department to allocate space at the 919 Palm public counter for conducting business with the Finance Department during the period of construction.

ENVIRONMENTAL REVIEW

This project is exempt from environmental review under Section 15301 Class 1 (existing facilities) of the California Environmental Quality Act (CEQA) Guidelines because the alterations involve negligible expansion of existing use, as the project is proposed to work within the existing building footprint. Notice of exemption will be filed following approval from Council (Attachment C). The project is consistent with the applicable general plan policies as well as with applicable City Regulations.

FISCAL IMPACT

Budgeted: Yes

Budget Year: 2022-23, 2024-25

Funding Identified: Yes

Fiscal Analysis:

The City Hall Finance and IT Office remodel was originally identified in the FY21-22 Unaudited Year End Report ([10/04/2022 City Council Meeting – Item 6a.](#)) and funded for design and construction in FY23 (\$600,000) with additional funding allocated in the FY25 Supplement Budget (\$750,000) ([06/04/2024 City Council Meeting – Item 6a.](#)). The additional \$249,000 requested from the Capital Projects Reserve Fund is due to changes in cost estimates driven by the extensive review period.

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Capital Outlay (CIP)	\$1,040,200	\$1,040,200	\$0	
IT Repl Fund	\$175,000	\$175,000	\$0	
Capital Projects Reserve Fund	\$1,903,387	\$249,000	\$1,654,387	
Total	\$	\$1,464,200	\$	N/A

City Facility Enhancements, Specification 2000114-02	
Project Account (200114-02)	
Project Cost	
Construction Estimate	\$1,254,000
Total Construction Estimate	\$1,254,000
Contingency 15%	\$188,100
Temp Relocation	\$22,100
Total Project Estimate	\$1,464,200
Project Funding	
Current Account Balance	\$1,215,200
Additional Funding Requested: Capital Projects Reserve Fund	\$249,000
Total Project Funding	\$1,464,200

ALTERNATIVES

1. **Council could decide to deny authorization to advertise.** Denying authorization to advertise this project is not recommended because the project is ready for construction and delaying will result in escalated project costs. Advertising this project for bids will allow the city to capitalize on the investment made to date for design development.
2. **Council could decide to deny authorization to advertise and direct staff to return with a revised project.** Council could direct staff to return with a revised project. Council should provide direction on which aspects of the project they would like changed.

ATTACHMENTS

- A – Project Plans (Spec. 2000114-02)
- B – Project Special Provisions (Spec. 2000114-02)
- C – CEQA Notice of Exemption (Spec. 2000114-02)