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Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

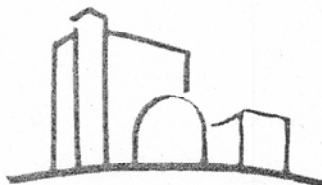
FROM: Ed Shikada
Katy Allen
Jim Helmer
Jim McBride

SUBJECT: PROGRESS REPORT ON
NEW CITY HALL TFE&R

DATE: 12-20-04

Approved

Date



The New San José City Hall

INFORMATION NON-CONSTRUCTION ACTIVITY

This memorandum provides a progress report on the procurement of Technology, Furniture, Equipment, and Relocation (TFE&R) for the New City Hall. This report provides an overview of key actions, including a summary of expenditures approved to date by the City Council and those approved under the City Manager's authority, as well as related actions and a forecast of those actions to be initiated within the next 60 days.

ANALYSIS

Since our previous progress report to the City Council, dated October 18, 2004, work has continued on many of the workplan elements. This has included the following key milestones involving the City Council:

- On October 26, the City Council was given an informational presentation on the procurement for the systems furniture (element FE1).
- On November 9, the City Council approved the Procurement Process Integrity Guidelines for the Converged Network (RFP) (elements T2, T4, T10).
- On November 16, the City Council approved the Procurement Strategy for the Converged Network RFP (elements T2, T4, T10).
- On November 30, the City Council approved release of the Request for Proposals for the Converged Network (T4/T10) and Server/Storage Solution (T2).

In addition, numerous other activities are underway related to TFE&R procurements. Attachment A provides a comprehensive summary by procurement element. For ease in comparison, Attachment A provides each procurement element's cost estimate, procurement and savings strategy as approved by the City Council, a summary of key actions to date, and a 60-day look ahead for upcoming City Council actions. "Approved Obligations to Date" is also provided for the purpose of tracking cumulative expenditure approvals for each procurement element.

To highlight key upcoming activities, the following actions are anticipated during the months of January and February:

- Converged Network (T4/T10) and Servers/Storage (T2) – Proposals will be due in early January and evaluation of proposals will proceed immediately thereafter.
- Radio/Cellular/WiFi Equipment (T8) – A solicitation for design-bid contractor prequalification yielded insufficient contractor interest. As a result, staff incorporated pre-qualification criteria into design-build specifications advertised on September 15. Bids were received on November 4th. A recommendation will be made to Council to reject all bids and re-bid this scope of work.
- Furniture (FE1) – A systems (modular) furniture bid package has been issued. Bids will be received in December 2004 and a recommendation made to Council in January 2005.
- Operational and Maintenance Equipment (FE2) – In January, a recommendation will be made to the City Council regarding additional window cleaning equipment.
- Public Space Use Program (FE6) – This item is currently being developed with the Arts Commission. Staff will provide a recommendation when the commission work is complete.

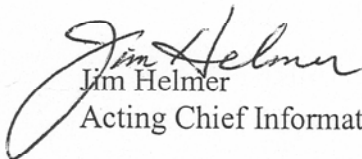
As indicated by this summary, a significant volume of procurement activities continues and will be forthcoming to the City Council.



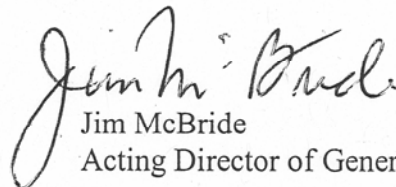
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**PROGRESS REPORT ON TECHNOLOGY, FURNITURE, EQUIPMENT
AND RELOCATION PROCUREMENTS**

Element and Cost Estimate	Procurement and Savings Strategy (as approved by City Council on 3/9/04)	Key Actions to Date	60-Day Look Ahead
T1 – Facility Information System (\$250,000)	Procurement specifications and vendor cost proposals will be solicited and evaluated against the option of continued use of Microsoft Outlook and other existing tools, as well as against decreased functionality alternatives. In September 2004, Staff will present to the City Council an alternative analysis that will include an option to award a software procurement contract.	Various city departments have engaged in an evaluation of functional requirements, existing knowledge and available options for an enterprise-wide system. A purchase order in the amount of \$16,000 has been issued for access control software. Approved Obligations to date: \$16,000	Staff is evaluating options with the goal of reducing the previous estimated cost to under \$100k. The lower cost option will be presented for administration approval and reported to the City Council. A purchase order for meeting room software should be finalized.
T2 – Servers (\$9,050,000)	A procurement document will be issued for the supply, design, configuration, installation, and testing of servers and storage area network equipment. Proposers will be invited to provide recommendations to further streamline the City's existing server and enterprise storage environment and allow for appropriate growth over the next five years. Value will be weighted in the vendor selection. Staff will present the City Council with a recommended contract award in September 2004.	On 10/12/04, the City Council approved an agreement with Gartner, Inc. for technical and procurement services. This included a base scope related to procurement, networks, and servers/storage area networks (SAN), plus an additional \$54,774 specifically related to server procurement support. On 11/30/04, the City Council authorized the release of the Request for Proposal (RFP). Approved Obligations to date: \$54,774	Proposals are due in January 2005. Interviews and presentations will be conducted and a selection made in March 2005.

Element and Cost Estimate	Procurement and Savings Strategy (as approved by City Council on 3/9/04)	Key Actions to Date	60-Day Look Ahead
T3 – Inter-facility Communications Connectivity (\$610,000)	<p>Staff will evaluate existing City conduit and fiber optic cabling, in order to minimize the need for new construction for the three components of this project: Old City Hall to 4 N. 2nd - Staff will present the City Council with a recommendation in May 2004; 4 N. 2nd to NCC - Staff will present the City Council with a recommendation in August 2004; NCC to Parking Garage - Staff will present the City Council with a recommendation in January 2005.</p>	<p>IT and DOT have evaluated alternative routes and the suitability of existing infrastructure for the installation of fiber optic communication lines between the current Civic Center and the New City Hall. Based on this evaluation, it has been determined that DOT staff can be used to install the needed fiber for much of this project (St. James Park to 4 N 2nd). Discussions were held with VTA staff regarding the City's use of an existing duct within the light rail right-of-way from the existing City Hall to St. James Park and 4 N 2nd to the New City Hall, and it was determined that an alternative approach using traffic signal conduit would be preferable.</p> <p>On 10/5/04, the City Council/Redevelopment Agency awarded the Civic Plaza Infrastructure Improvement construction contract, including \$65,000 for in-street conduit work.</p> <p>Approved Obligations to date: \$65,000</p>	<p>This project is a combination of "in-sourcing" and contracting with a private cabling vendor. A minor Public Works contract will be awarded for the contracted portion of the inter-facility connection work. The contract is scheduled to be bid in January.</p> <p>Staff is working on finalizing plans that will install conduit to the off-site garage.</p> <p>A purchase order for fiber optic parts and supplies will be finalized.</p>

Element and Cost Estimate	Procurement and Savings Strategy (as approved by City Council on 3/9/04)	Key Actions to Date	60-Day Look Ahead
T4 – Network Infrastructure (\$5,510,000)	An RFP will be issued for the supply, installation and configuration of a converged voice-data infrastructure network. While the network design and equipment will be provided in the RFP, proposers will be invited to recommend lower cost approaches to meeting security and reliability performance criteria. Value will be weighted heavily in the selection. Staff will present a recommended contract award to the City Council in June 2004.	<p>On 8/10/04, the City Council directed the initiation of a new RFP for the converged network.</p> <p>On 10/12/04, the City Council approved an agreement with Gartner, Inc. for technical and procurement services for the converged network and server/SAN.</p> <p>On 11/9/04, the City Council approved the procurement process integrity guidelines.</p> <p>On 11/16/04, the City Council was presented the procurement schedule and approved the procurement strategy.</p> <p>On 11/30/04, the City Council authorized the release of the Request for Proposal (RFP).</p> <p>Approved Obligations to date: \$365,226</p>	Proposals are due in January 2005. Interviews and presentations will be conducted and a selection made in March 2005.
T5 – Voice and Data Cabling (\$3,000,000)	In order to realize savings through reduced contractor mobilization and coordination, installation of voice and data cabling will be bid with related building construction contracts. In May 2004, Staff will present the City Council with a recommended contract award.	<p>Bids for this project were opened on 5/20/04. City Council awarded a contract on 6/22/04 to IDEX Global Services.</p> <p>In conjunction with T4/T10 recommendations, staff informed the City Council of \$1,130,000 anticipated savings in this element.</p> <p>Approved Obligations to date: \$1,704,796.</p>	PROCUREMENT COMPLETE.

Element and Cost Estimate	Procurement and Savings Strategy (as approved by City Council on 3/9/04)	Key Actions to Date	60-Day Look Ahead
T6 - Audio-Visual Equipment (\$3,350,000)	<p>Specifications for the provision and installation of audio-visual equipment will be bid with the following (and potentially other) add alternates:</p> <ul style="list-style-type: none"> • Rotunda video cubes • Committee room vote tally system • Committee room projectors • Broadcast news video feed system • Committee room cameras • Conference room technology upgrades from basic to mid-level and high-level <p>In June 2004, staff will present the City Council with bid results and recommendations for award.</p>	<p>Council approved an award to Ceitronics on 6/29/04.</p> <p>A reduction in the scope of work recommended to Council was approved through two credit change orders. Net savings on this contract is \$45,790 below budget.</p> <p>Approved Obligations to date: \$3,304,210.</p>	<p>PROCUREMENT COMPLETE</p> <p>An \$85,000 change order request to add customer queuing infrastructure on the 2nd floor of the Tower was approved on the 11/30/04 Council meeting. Funding for this change is not coming from the TFE&R or construction budget.</p>
T7 - Kiosks (\$250,000)	<p>Specifications for the provision and installation of kiosks will be issued based on unit prices and with at least three "add alternates": card readers, touch-sensitive screens, and printing capability. In November 2004, Staff will present the City Council with bid results and recommendations for award.</p>	<p>Specifications for the kiosks are being developed, focusing on basic functionality.</p> <p>In conjunction with approval of T6, staff informed the City Council of anticipated savings of \$200,000 in this element by reducing the number of kiosks to 3</p> <p>Approved Obligations to date: \$0.</p>	<p>Procurement of Kiosks is not on a critical path for completion of City Hall technology effort. A decision on whether to move forward with Kiosks can be made at a later date.</p>
T8 - Radio/Cellular/Wi Fi Equipment (\$1,000,000)	<p>Staff is investigating private partnership opportunities to provide a portion of the required functionality. Where this is not viable, savings in the provision and installation of needed equipment will be maximized by bidding with related building construction contracts. In June 2004, Staff will present the City Council with bid results and recommendations for award.</p>	<p>A solicitation for design-bid contractor prequalification was issued, but yielded insufficient contractors. Staff has incorporating pre-qualification requirements into a Design-Build specification.</p> <p>A bid package was issued on 9/15/04 and a mandatory pre-bid conference was held on 10/7/04. Bids were opened on 11/4/04. The lone bid received was significantly over the budgeted allocation.</p> <p>Approved Obligations to date: \$0.</p>	<p>A recommendation will be scheduled to be presented to the City Council asking to reject the lone bid.</p> <p>Staff is pursuing several options including the repackaging of the WiFi bid documents, as well as, reviewing public/private partnerships and a partnership with San Jose State University for wireless solution opportunities.</p>

Element and Cost Estimate	Procurement and Savings Strategy (as approved by City Council on 3/9/04)	Key Actions to Date	60-Day Look Ahead
<p>T9 – Security Hardware and Software (\$1,050,000)</p>	<p>In order to streamline procurement and realize savings from reduced mobilization and coordination, installation of security measures will be procured with related building construction contracts. In May 2004, Staff will present the City Council with bid results and recommendations for award.</p>	<p>The security system for the building and garage elements has been designed in conjunction with the implementation of the base building program.</p> <p>Security system design for the building interiors have been completed as well in conjunction with the building interiors program.</p> <p>Staff has identified a need for database integration between Peoplesoft and the access control software. The assessment of this need will progress as the design completion of the interior security system is finalized. Staff has identified two possible solutions – the use of in-house staff for data integrations or the purchase of commercially available software for the solution.</p> <p>On 8/24/04, Council approved a change order to Rosendin Electric in the amount of \$715,000, for tenant improvement security system work.</p> <p>Staff is developing the bid package for re-keying of the facility that will occur following construction and prior to move-in.</p> <p>Approved Obligations to date: \$715,000.</p>	<p>Procurement completed for Security portion of T9.</p> <p>A purchase order for final keying will be issued by February 2005.</p>
<p>T10 – Telephone System/PBX Equipment (\$1,650,000)</p>	<p>In order to ensure complete integration of telephone services with network services, telephone equipment will be procured in conjunction with network infrastructure (T4).</p>	<p>Please refer to T4.</p>	<p>Please refer to T4.</p>

Element and Cost Estimate	Procurement and Savings Strategy (as approved by City Council on 3/9/04)	Key Actions to Date	60-Day Look Ahead
<p>FE1 – Furniture Program (\$11,808,376)</p>	<p>Furniture procurement will provide multiple bid options, including the use of new and used, while maximizing the reuse of existing furniture. Bid alternates will be secured for the rehabilitation and refurbishment of existing furniture. Cost, ability to meet move sequencing as dictated by construction and operations, quality, interchangeability, and warranties will be key selection criteria. In August 2004, Staff will present the City Council with recommended contract award(s).</p>	<p>On 12/16/03, the City Council approved an amendment with Johns/Rife Group for \$399,166 for furniture programming services. The survey of existing furniture has been completed, and will be used in securing bids for alternate means of furnishing the facility. Bid packages have been separated into Systems (modular) and Freestanding furniture.</p> <p><u>Systems Furniture</u>: Staff finalized specifications and the bid document was advertised on 10/1/04. The bid document was structured to allow the City to take advantage of the most cost effective method for furnishing the facility. Staff has actively promoted this bid opportunity to small and local business. An information memo was transmitted to the City Council on 10/1/04. An informational report was given to City Council on 10/26/04.</p> <p><u>Freestanding Furniture</u>: Staff is currently finalizing specifications and bid documents.</p> <p>Approved Obligations to date: \$399,166</p>	<p><u>Systems Furniture</u>: Bids will be received in December 2004. This will lead to a January 2005 City Council consideration of contract award.</p> <p><u>Freestanding Furniture</u>: This bid package will be ready for release within the next 60 days.</p>

<p>Element and Cost Estimate</p>	<p>Procurement and Savings Strategy (as approved by City Council on 3/9/04)</p>	<p>Key Actions to Date</p>	<p>60-Day Look Ahead</p>
<p>FE2 – Operational and Maintenance Equipment (\$1,277,875)</p>	<p>Staff will evaluate options to defray initial investment costs (lease vs. buy), and upon confirmation of purchase staff will maximize outreach to enhance competition and get the best price for the equipment. Staff will evaluate cooperative purchase opportunities with other large municipal or state jurisdictions. With regard to window washing services, staff will present a cost/benefit analysis of contracted services versus the purchasing of equipment and in-house staff as a prerequisite to moving forward with an equipment purchase.</p>	<p>Staff has begun a detailed evaluation of equipment needs to identify operational impacts of contracting services, leasing equipment, and deferring purchases. Staff has drafted a cost-benefit analysis for window washing using in-house services as compared to contracted services.</p> <p>Council approved a change order on 6/29/04 to Skymaster in the amount of \$389,057, for the window washing equipment needed for the Rotunda.</p> <p>A purchase order in the amount of \$15,200 was issued for a parcel x-ray scanner for the mailroom.</p> <p>Two purchase orders in the amount of \$42,500 each were issued for custodial supplies and equipment.</p> <p>Approved Obligations to date: \$489,257.</p>	<p>Staff will report back to Council by January 2005 with a follow-up recommendation on the window cleaning lift and program.</p> <p>Minor administrative procurements are being processed and will be reported to the City Council as they are finalized.</p>

Element and Cost Estimate	Procurement and Savings Strategy (as approved by City Council on 3/9/04)	Key Actions to Date	60-Day Look Ahead
FE3 – Signage for Public Wayfinding and Utility Services (\$800,000)	In order to streamline procurement and realize savings from reduced mobilization and coordination, furnishing and installation of signage will be procured in with related building construction contracts. In June 2004, Staff will present the City Council with a recommended contract award. Utility fees will be submitted for approval as they are finalized and due, possibly as early as March 2004.	<p>An agreement for water services with San Jose Water Company was approved by the City Council on 3/23/04 and amended on 8/17/04, for a total amount of \$199,172. Other minor utility costs have been paid.</p> <p>On 5/11/04, the City Council approved an agreement amendment with The Steinberg Group for wayfinding sign design services in the amount of \$33,000. On 8/31/04, the City Council awarded a contract to Karman Ltd in the amount of \$477,902, for on-site signage. Of this total, \$242,000 was for TFE&R signage.</p> <p>In conjunction with T4/T10 recommendations, staff informed the City Council of anticipated savings of \$250,000 in utility costs.</p> <p>Approved Obligations to date: \$467,816.</p>	The acquisition of a posting fixture for the public meeting notice requirements, and minor utility cost adjustments, will be processed for City Manager approval.
FE4 – Tower and Rotunda Sun Shade Covers (\$643,000)	In order to streamline procurement and realize savings resulting from reduced levels in mobilization and coordination, installation of sun shade covers will be procured in conjunction with building construction contracts. In June 2004, Staff will present the City Council with a recommended contract award.	<p>On 5/18/04, the City Council awarded a contract to Peninsulators, Inc. in an amount of \$174,000 for window treatment for the Tower and Council Wing.</p> <p>On 6/8/04, the City Council awarded a contract to Peninsulators, Inc. in an amount of \$231,222 for the Rotunda Sunshade.</p> <p>In conjunction with T4/T10 recommendations, staff informed the City Council of \$200,000 savings in this element.</p> <p>Approved Obligations to date: \$405,222</p>	PROCUREMENT COMPLETE.

Element and Cost Estimate	Procurement and Savings Strategy (as approved by City Council on 3/9/04)	Key Actions to Date	60-Day Look Ahead
FE5 – Recycling / Trash Compactors (\$410,500)	<p>In order to streamline procurement and realize savings from reduced mobilization and coordination, installation of trash compactors will be procured with related building construction contracts. Staff will maximize outreach efforts for all other purchases to enhance competition and get the best price for the equipment. Staff will evaluate cooperative purchase opportunities with other large municipal or state jurisdictions. By March 2005, Staff will present the City Council with recommended contract awards.</p>	<p>Confirmation of facility needs has been completed. Staff will schedule procurement to coincide with operations of the facility.</p> <p>Approved Obligations to date: \$0</p>	<p>Staff work will continue, on track to meet the previously reported schedule of March 2005 Council review and action.</p>
FE6 – Public Space Use Program (\$427,000)	<p>Staff will research options to defray investment costs (rent vs. buy), existing, and fee-for-use, and subject to confirmation of purchase staff will maximize outreach efforts to enhance competition and get the best price for the equipment. In December 2004, Staff will present the City Council with a recommended contract award.</p>	<p>Staff is currently reviewing expected costs in comparison with alternatives of renting equipment.</p> <p>Approved Obligations to date: \$0</p>	<p>Staff is coordinating with the Arts Commission on this item. Upon completion of a plan, staff will provide the information to City Council.</p>
R1 – Relocation Programming Services (\$1,885,306)	<p>Staff is investigating opportunities for increased use of in-house resources to support the programming needs. Staff will continue record-purging efforts to reduce the volume of materials to be relocated from current locations to the NCC. Staff will maximize outreach efforts to enhance competition and get the best price for the service. In January 2005, Staff will present the City Council with a recommended contract award.</p>	<p>A records consolidation program has been developed and launched effective 4/17/04.</p> <p>Staff has developed draft relocation sequencing plans that will become the basis for the relocation service procurement documents.</p> <p>On 4/29/03, the City Council approved a \$634,000 agreement with Johns/Rife Group for move management.</p> <p>Approved Obligations to date: \$634,000</p>	<p>Staff will continue the records consolidation program with focus on implementation of records retention schedules.</p> <p>Staff will continue the development of the sequencing plans in concert with the construction plans. Staff will initiate the moving service procurement documents.</p>

