

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

684



FROM: Economic Development Agency

SUBMITTAL DATE:
July 9, 2009

SUBJECT: Regency Tower / Downtown Law Building

RECOMMENDED MOTION: That the Board of Supervisors:

Departmental Concurrence

1. Approve \$875,000 to purchase used furniture for the Regency Tower / Downtown Law Building and authorize County Purchasing to execute on behalf of the county in accordance with applicable Board policies; and
2. Delegate project management authority for this project to the Assistant County Executive Officer/EDA in accordance with applicable Board policies.

BACKGROUND: On October 21, 2008, the Board of Supervisors approved Resolution No. 2008-446, Authorization to Purchase Real Property in the City of Riverside, California.

(Continued)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost: FY 09/10	\$ 875,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 875,000	Budget Adjustment:	No
	Annual Net County Cost FY:	\$ 0	For Fiscal Year:	09/10

SOURCE OF FUNDS: Tobacco Securitization to be reimbursed by CORAL bond proceeds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
BY: Jennifer L. Sargent
County Executive Office Signature

Reviewed by
CIP TEAM
Christopher Hans

Consent Policy
 Consent Policy

Dep't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 3.55, 6/30/09; 3.27, 2/24/09; 3.30, 10/21/08; 3.62, 1/29/08; 3.22, 11/27/07; 2.9, 1/10/07; 3.40, 1/09/07; 3.17, 10/24/06; 3.19, 5/02/06; 16.3, 5/03/05

District: 2

Agenda Number: 3.21

BACKGROUND: (Continued)

The office building is known as Regency Tower at the northeast corner of Orange and 10th Street in the City of Riverside. The property includes a 300 space subterranean parking structure and additional 400 parking spaces designated in the adjacent City owned parking structure. The purchase price included the building shell and core and the District Attorney's tenant improvements. Additional costs not included in the current year total cost include furniture and Information Technology costs.

The current status of construction for the Regency Tower is at various stages of completion on each floor, which allows multiple trades to work simultaneously at a vigorous pace. Within the framework of the construction schedule, there is allowance of one weekend for delivery of furniture per floor and one week for installation. The installation date for systems furniture is scheduled about one to two months before projected occupancy to allow electrical connection into the building and for subsequent inspections.

Adhering to the Board of Supervisors' direction to limit furniture expenditures, furniture will continue to be reused wherever possible. An inventory of existing furniture and assessment thereof has been conducted for the departments that will occupy Regency Tower. Most of the systems furniture evaluated to date cannot be reused, as it is in poor condition and needs refurbishing and cleaning; it isn't ergonomically designed; the furniture is no longer manufactured, thus making it difficult and time consuming to locate parts; there is no certainty the furniture can be disassembled and not have a percentage of the components fail; it's prone to break during moves and not knowing which parts will need to be replaced poses an unruly risk during installation. Reusing the existing systems furniture would also require a two month staging area, which would require people to vacate their work area while their existing work station is relocated and installed. These actions would incur additional moving costs and disruptions to departments, which would curtail productivity.

Construction documents were coordinated late last year and early this year with a very specific systems furniture layout to meet the departments' needs and keep up with construction occurring now. The reuse of existing systems furniture would require time to field survey existing systems furniture, research electrical requirements, space plan according to their configuration, attain department approval, and finally coordinate with the tenant improvement electrical drawings, which would cause severe delays to the developer Silagi Development and their critical path schedule, and also delay the issuance of the Temporary Certificate of Occupancy on Snyder Langston's construction schedule.

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BACKGROUND: (Continued)

This process could be deemed to be a compensable delay claim which is estimated in the range of \$400,000 a month in direct expenses plus interest on any construction loans. Direct expenses are any overhead (such as construction staff, construction trailers, equipment, construction utilities, insurance, bonds, etc.) which are needed to keep construction active; please reference the attached Memorandum by Heery International for additional details.

On May 28, 2009, the Purchasing Department issued Request for Proposal (RFP) PUARC-1103 for used furniture for the Regency Tower/Downtown Law Building. The RFP was sent to awarded vendors representing the major manufacturers of system furniture. Four responses were received ranging from \$679,005 to \$1,174,791. An evaluation team evaluated the proposals and visited sites where the furniture exists locally as well as viewed video of the furniture not in the local area. It was determined that a portion of the furniture in low bid was in an unacceptable condition, and will require additional costs to refurbish. Because of the nature of buying used product, bidders cannot guarantee the product will still be available by the time the order is placed. Purchasing will procure the lowest cost used furniture that meets the functional requirements for the application available when the order is placed.