



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve and Authorize the City Manager to Execute Amendment No. 1 to the Agreement with Group 4 Architecture, Research & Design for Space Planning and Design of Office Spaces at City Hall and Approve Related Budget Amendment
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	10/6/2020Click or tap to enter a date.
Staff Contact:	Tony Ndah, Director of Public Works, 408-586-2602
Recommendation:	Approve and authorize the City Manager to execute Amendment No. 1 to the Agreement with Group 4 Architecture, Research & Design for Space Planning and Design of Office Spaces at City Hall, resulting in a decrease of the total not to exceed amount by \$40,000 - from \$150,000 to \$110,000 - and approve a budget amendment returning the contractual savings to the General Government CIP Fund balance.

Background:

Milpitas City Hall was completed in 2003 and the floorplan of City Hall has remained largely unchanged over the years. As the City has grown, staffing levels have changed as well so as to continue a high level of services to the community. With these changes, the need for an evaluation of existing workspaces was identified in order to bring departments together and better utilize the work areas available at City Hall.

On December 4, 2018, the City Council approved and authorized the City Manager to execute an agreement with Group 4 Architecture, Research and Design (Group 4) for space planning and design of office spaces at City Hall. The contract scope of work included improving space efficiencies, improving workflow and modernizing workspace designs to meet the needs of current and future employees utilizing City Hall. The agreement with Group 4 expired on January 1, 2020.

Analysis:

Following Council approval of the agreement in December 2018, staff worked with Group 4 to complete conceptual designs, facility analysis, and needs assessment for City Hall. With the completion of the needs assessments for City Hall, Group 4 provided staff with space plan options, draft conceptual designs, and recommendations for City Hall, to account for the current and future workstation needs for City staff.

The COVID-19 pandemic has had an impact on the City's budget and on June 2, 2020, the City Council approved the FY 2020-21 Budget and Financial Plan solving a projected budget shortfall with ongoing expenditure reductions and the use of reserves. Since then, the economic impact related to COVID-19 has worsened with an additional significant impact to the City's FY 2020-21 General Fund revenues and the City's financial outlook. As such, on September 1, 2020, Council adopted a resolution approving and directing the City Manager to implement a list of COVID-19 fiscal response strategies and guidelines, which included bringing forward other budget balancing strategies for Council consideration.

Staff is proposing stopping work on this agreement which would result in a return of \$40,000 of contractual savings to the General Government CIP Fund balance for future use. Staff will reexamine workspace needs at City Hall once the COVID-19 pandemic is over to account for current and future workstations needs for staff.

The agreement expired on January 1, 2020 and was not renewed prior to the expiration date. This amendment to the agreement would be retroactive to January 1, 2020 and would extend the term to October 6, 2020, to allow for the closeout of tasks currently in progress, while suspending work on other tasks due to the recent COVID-19 pandemic and return the funds to the General Government CIP Fund balance.

Policy Alternative:

Alternative: Do not execute Amendment No. 1 to the Agreement with Group 4.

Pros: No changes will need to be made to the existing agreement with Group 4.

Cons: Does not allow staff to close out the project and pay Group 4 for work performed.

Reason not recommended: Does not provide opportunity for City to close out the project, pay fees to Group 4, and return contractual savings to the General Government CIP Fund for future use.

Fiscal Impact:

This contract and budget amendment would result in the return \$40,000 of contractual savings to the General Government CIP Fund balance for future use.

California Environmental Quality Act:

By the definition provided in the CEQA Guidelines Section 15378, this action does not qualify as a "project" for the purpose of CEQA as this action has no potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

Recommendation:

Approve and authorize the City Manager to execute Amendment No. 1 to the Agreement with Group 4 Architecture, Research & Design for Space Planning and Design of Office Spaces at City Hall, resulting in a decrease of the total not to exceed amount by \$40,000 from \$150,000 to \$110,000 and approve a budget amendment returning the contractual savings to the General Government CIP Fund balance.

Attachments:

Original 2019 Agreement with Group 4 for City Hall Space Planning
Amendment No. 1
Budget Change Form