

# Agenda Report

**TO:** CITY COUNCIL March 8, 2004

**FROM:** CITY MANAGER

**THROUGH:** FINANCE COMMITTEE

**SUBJECT:** AUTHORIZATION TO ENTER INTO A THREE-YEAR LEASE AGREEMENT WITH DESIGN SPACE MODULAR BUILDINGS FOR MODULAR TRAILERS IN AN AMOUNT NOT TO EXCEED \$595,285.

## **RECOMMENDATION**

Authorize the City Manager to enter into an agreement with Design Space Modular Buildings, in an amount not to exceed \$595,285, for the three-year lease of approximately 13,000 square feet of modular trailers required for interim space due to the City Hall Seismic Retrofit Project.

## **BACKGROUND**

On September 30, 2002, the City Council approved a project implementation plan for the seismic retrofit of City Hall. The renovation will require departments with office facilities in City Hall to be temporarily moved to offsite leased buildings, city-owned buildings and modular office facilities in June, 2004 through June, 2007.

Approximately 45 employees will be temporarily relocated to modular trailers located adjacent to City Hall on the vacant lot bordered by Garfield Avenue, Holly Street, Ramona Place, and the YMCA building. The modular trailer occupants will be those functions which frequently interact with the public, including:

1. Municipal Services
2. Finance-Accounts Receivable, Paramedic Billing
3. Water and Power Bill Payments
4. Engineering Services
5. Fire and Police Retirement System
6. Traffic Management Center
7. City Hall Seismic Retrofit Administration.

Specifications for the lease of modular buildings were issued on January 29, 2004 and a pre-bid meeting was held on February 5, 2004, to discuss the bid specifications. The public bid opening was held on February 17, 2004.

Seven potential bidders expressed interest in the bid specification solicitation and attended the pre-bid conference held on February 5, 2004. Two vendors formally responded to the bid specifications as follows:

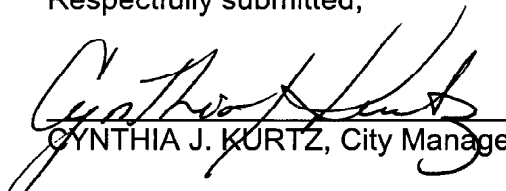
BIDDER	Furnish, Delivery and Set-up	3 Year Lease Term	Removal/Dismantle	Total
Design Space Modular Buildings	177,172	385,488	32,625	\$595,285
Brandall Modular Corporation	135,000	449,244	26,000	\$610,244

Based on the results of the bid process, Design Space Modular Buildings is the low bidder for Modular Trailers at \$595,285.

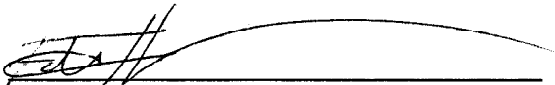
### FISCAL IMPACT

Funding for the lease of modular buildings is provided for in the City Hall Seismic Retrofit Project budget. The set-up portion of the lease will be paid upfront. Lease payments will be payable on a monthly basis. The first year lease and set-up expenses total \$305,668.


Respectfully submitted,

  
CYNTHIA J. KURTZ, City Manager

Prepared by:

  
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Approved by:

  
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Concurrence:

  
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