

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: July 10, 2025

PREPARED BY: Shawn Muir, Community Services Manager
Kevin Swartz, Project Manager

SUBJECT: APPROVE CONSTRUCTION TASK ORDER AND FURNITURE CHANGE
ORDER FOR CITY HALL OFFICE SPACE IMPROVEMENTS – PHASE
THREE (PROJECT NO. SFA00006)

RECOMMENDATION:

1. Authorize the City Manager to approve Task Orders under Contract No. C44620 for Office Space Improvements - Phase Three, in an aggregate amount not-to-exceed \$800,000 in Fiscal Year 2025/26.
2. Authorize the City Manager to approve a Change Order to Quality Office Furnishings Contract No. A48790, for the purchase of additional cubicles in an amount not-to-exceed \$50,000 for various departments.
3. Authorize the City Attorney to make necessary non-monetary changes to the agreement.
4. Authorize the City Manager to execute the task orders and documents necessary to effectuate these actions.

BACKGROUND/ANALYSIS:

Palm Desert City Hall is a 45,000-square-foot facility constructed in 1983. At the time of construction, it was equipped with new furniture, fixtures, and equipment to meet applicable safety standards and support a functional work environment. By Fiscal Year 2007/08, nearly 25 years later, the City began replacing aging cubicle systems due to general wear and the unavailability of replacement parts. Since that time, Facilities staff have continued to face challenges in maintaining these outdated systems, including retrofitting for modern electrical and data needs and salvaging components from other units to maintain operability.

As a result, a comprehensive phased approach began in 2020, supported by a total budget of \$3.98 million from the Capital Improvement Building Maintenance Fund. This effort focused on enhancing the customer experience in the Development Services Lobby and replacing aging cubicles with a standardized workstation system.

In addition, the employee break room was renovated in 2025. While not part of the original phased project, the renovation was completed at a cost of \$308,853.82 through the Civic Center Complex Improvements Project under Account No. 4504161-4400100, Cap-Building Maintenance.

A detailed breakdown of the three project phases is provided below.

PHASE ONE: Completed Improvements

In FY 2020/21, the City Council approved improvements to the Development Services lobby and adjacent administrative areas. The goal was to enhance customer experience, modernize workspaces, and promote safety and efficiency for both the public and staff.

Phase One, focused on the renovation of the Development Services lobby and adjacent areas, was completed on September 20, 2023, at a total cost of \$2,010,684.

Following Phase One, the city staff conducted a comprehensive space planning review to evaluate departmental layout, improve service delivery, and ensure long-term alignment with operational needs. The review concluded that the remaining cubicle systems throughout City Hall had exceeded their useful life.

Goals for Future Phases:

- Realign staff workspaces for operational efficiency
- Standardize cubicle systems across departments
- Address safety and functionality concerns

PHASE TWO: Recently Completed

On December 14, 2023, the City Council approved Phase Two of the project with a budget of \$560,840. This phase addressed upgrades for the following departments:

- Public Works
- Capital Projects
- Development Services (Planning, Code Compliance, Land Development, Building & Safety, and Permit Center)
- Economic Development

Phase Two Scope of Work:

- Installation of new cubicles with updated electrical/data infrastructure
- New carpeting
- Interior painting of offices, conference rooms, and common areas
- Furniture relocation
- Minor wall demolition and construction of new offices
- Concrete removal and floor leveling

Phase Two was completed in Fiscal Year 2024/25.

PHASE THREE: Proposed Scope and Budget

Staff are requesting approval to proceed with Phase Three, and upgrade the following remaining areas of the entire project:

- City Manager's Office area
- Human Resources
- Finance
- Information Technology
- Former Special Programs Office
- Administrative Conference Room

- North Wing Conference Room, Hub, and Kitchen

Phase Three Scope of Work:

- Installation of new cubicles with updated electrical and data infrastructure
- New carpeting and tile
- Interior painting (offices, conference rooms, and common areas)
- Furniture relocation
- Minor wall demolition
- New casework (cabinets), including the North Wing kitchen
- Construction of new offices
- Concrete removal and floor leveling

Cubicles for this Phase Three have been procured separately under Contract No. A48790 in the amount of \$122,032.78.

Additional Cubicles (Not-To-Exceed \$50,000)

- Code Compliance
- Traffic Division
- City Manager Admin
- Public Works

The construction portion of Phase Three is estimated at \$650,000–\$800,000. A Request for Proposals (RFP) was issued on May 8, 2025, to four vendors under Facilities Repairs and Improvements Contract No. C44620. A job walk was conducted on May 15, 2025, with three firms in attendance. Two proposals were received—\$650,000 and \$950,000, respectively. On June 26, 2025, the City Council awarded eight new contracts under the Facilities Repairs and Improvements Program under Contract No. C44620. Should Phase Three be approved, a new RFP will be issued to both existing and newly awarded contractors to ensure competitive pricing.

Project Timeline and Funding Request

Pending Council approval, construction is anticipated to begin in August or September 2025, with completion expected by February 2026, subject to material availability. Staff requests City Council authorization for an amount not-to-exceed \$800,000.

Staff also requests approval for the purchase of additional cubicles in an amount not-to-exceed \$50,000 from Quality Office Furnishings that have been requested for various departments.

Legal Review:

This report has been reviewed by the City Attorney's Office.

FINANCIAL IMPACT:

Funds for Office Space Improvements - Phase Three were included in the approved Capital Improvement Project (CIP) List for Fiscal Year 2025/26 under Account No. 4504164-4400100,

City of Palm Desert
City Hall Office Space Improvements – Phase Three

Cap-Building Maintenance; therefore, there is no additional financial impact to the General Fund as a result of this action. The following table illustrates the total budget and costs of the project:

<i>Account / Building</i>	<i>CC Mtg</i>	<i>Budget</i>	<i>Expenditures</i>	<i>Balance</i>
<i>FY 2021/22 Acct #4504161-4400100</i>		\$50,000		
<i>Phase One – Design/Holt Architects</i>			\$32,350	
<i>Appropriation</i>	11/18/2021	\$100,000		
<i>Phase One - DS Lobby Reno Design/Build</i>	11/18/2021		\$950,000	
<i>Phase One – DS Lobby Reno Contingency</i>	11/18/2021		\$100,000	
<i>FY 2022/23 Acct #4504161-4400100</i>		\$1,000,000		
<i>Appropriation</i>	07/14/2022	\$1,168,341		
<i>Phase One - DS Lobby Reno CO#1</i>	07/14/2022		\$1,168,341	
<i>Reallocated Funds</i>	12/14/2023	\$560,841		
<i>Phase Two - Cubicles</i>	12/14/2023		\$311,052	
<i>Phase Two – Office Improvements</i>	12/14/2023		\$370,278	
<i>FY 2024/25 Acct 4504164-4400100</i>		\$1,100,000		
<i>Employee Break Room Improvements</i>	12/18/2024	\$310,000	\$308,854	
<i>Phase Three - Cubicles</i>	01/08/2025		\$122,033	
<i>**Phase Three – Cubicles Change Order</i>	07/10/2025		\$50,000	
<i>**Phase Three – Construction</i>	07/10/2025		\$800,000	
<i>Totals</i>		\$4,289,182	\$4,212,908	\$76,274

****Current Request**

ATTACHMENTS:

1. Contract No. A48790
2. City Hall Phase Three Space Plan