

# STAFF REPORT

## City of Lancaster

CC 18
9/12/2023
JC

Date: September 12, 2023

To: Mayor Parris and City Council Members

From: Alexis Merino, Assistant Director

Subject: Updated Purchase Order – Parron Hall Furniture City Hall Renovation and Modernization: Request for 10% Contingency Increase

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**Recommendation:**

Approve an updated Furniture Purchase Order with Parron Hall for the City Hall Renovation and Modernization to include an increased contingency of 10%, bringing the total contingency amount to \$220,996.52. Authorize the City Manager, or his designee, to sign all documents. Pricing remains based on Allsteel's OMNIA Partners contract #R191802.

**Fiscal Impact:**

An additional \$110,498.26 is required to raise the contingency from 5% to 10%, making the total contingency \$220,996.52. This would bring the new project cost to \$2,430,961.68. Sufficient funds are available in Capital Improvements Budget Account Numbers 53019900.8000 for this adjustment.

**Background:**

The initial staff report, dated September 28, 2021 (CC 9), outlined the importance of the City Hall Renovation and Modernization Project and sought approval for a Furniture Purchase Order with Parron Hall in the amount of \$2,209,965.16, including a 5% contingency.

As the project has progressed, it has become evident that some additional costs not accounted for in the original budget are inevitable. These could range from unforeseen construction challenges to fluctuations in material costs. Given the complexity and scale of the renovation, the initial 5% contingency is proving to be inadequate for mitigating financial risks associated with such unanticipated expenses.

The request for a 10% contingency is consistent with industry best practices for

projects of this scale and complexity. It will provide an additional safeguard, allowing the project to proceed smoothly without unexpected delays due to funding shortages.

The City remains committed to prudent fiscal management while ensuring the success of this critical project. The increase in the contingency amount is a proactive measure to secure the investment made in the City's infrastructure, thereby enhancing service delivery, safety, and accessibility.

The original contract with Parron Hall, which was competitively solicited through OMNIA Partners, remains in effect. OMNIA Partners ensures compliance and delivers maximum value, thereby streamlining the purchasing process for local governments like ours.

**Attachment:**

Revised Parron Hall Purchase Proposal