



# AGENDA REPORT

Economic Development  
Port Division

<b>DATE:</b>	April 15, 2025
<b>TO:</b>	Mayor Martinez and Members of the City Council
<b>FROM:</b>	Charles Gerard, Port Director Nannette Beacham, Economic Development Director Lizeht Zepeda, Senior Business Assistance Officer
<b>Subject:</b>	Contract with Krueger International, Inc.
<b>FINANCIAL IMPACT:</b>	The proposed expenditure of \$70,000 is included within the approved Fiscal Year (FY) 2024-2025 Port budget (Account String: 40163080-400642-3600.
<b>PREVIOUS COUNCIL ACTION:</b>	March 5, 2013
<b>STATEMENT OF THE ISSUE:</b>	Recently, the Economic Development Department has expanded, increasing the need for additional workstations at the Port Administration offices. The Port Administration Offices currently house three of the six divisions within Economic Development Department (i.e., Port, Business Development, and Arts & Culture) With the recent addition of staff, there is a need to install new cubicles and modify existing partition walls to optimize the workspace.
<b>RECOMMENDED ACTION:</b>	APPROVE a sole-source contract with Krueger International, Inc. in the amount of \$70,000 for installation and purchase of office cubicles, furniture, and partition solutions compatible with existing office systems at 1322 Canal Boulevard, with a term ending December 31, 2025 – Economic Development Department (Nannette Beacham 510-621-1306/Charles Gerard 510-620-6792/Lizeht Zepeda 510-620-6653).

## **DISCUSSION:**

### Background

In 2014, the Port completed renovations to the building at 1322 Canal Boulevard, home to the City of Richmond's Port Administration offices within the Point Potrero Marine Terminal (PPMT). Originally built during World War II as part of Shipyard Number 3, the facility played a vital role in supporting the construction of Liberty and Victory ships.

As part of this renovation, Alten Construction (Alten) served as the general contractor for the entire renovation project, and selected Krueger International, Inc. (KI) under their contract scope to provide interior design, office furniture, and partition solutions tailored to the space. The office cubicles, partitions, and furniture installed at that time were custom fitted to the office layout, ensuring compatibility with the building's infrastructure and maximizing workspace efficiency.

At the time of the building renovation, the project utilized State of California Emergency Management Agency (CALEMA) grants and was on a restrictive budget that included renovating the exterior, plumbing, and utilities to be functional as an office, leaving a modest budget for interior buildout and office solutions.

### Current Need for Office Solutions

Recently, the Economic Development Department has expanded, increasing the need for additional workstations at the Port Administration offices. The department currently houses six divisions, three of which—the Port, Business, and Arts & Culture divisions—are based at this location. With the recent addition of staff, there is a need to install new cubicles and modify existing partition walls to optimize the workspace.

### Sole Source Contract

In 2024, staff began researching office solutions that would integrate seamlessly with the existing office setup. Given the proprietary nature of the original office system installed by KI, staff contacted a KI representative to determine whether compatible components were still available. KI confirmed that they maintain an inventory of matching parts, including color panel fabric, cubicle system components, and assembly parts, which are necessary to ensure seamless integration with the current configuration.

Due to the custom nature of the existing KI office system, using a different vendor would require a full replacement of the current partition and cubicle system, leading to significantly higher costs and extended installation time (Attachment 1). By contracting directly with KI, the City will:

- Ensure compatibility with the existing system, eliminating the need for costly replacements.

- Reduce procurement and installation time, as KI already has the necessary parts and expertise.
- Maintain design consistency and workspace efficiency, preventing mismatched furniture or cubicle systems.

In addition, these improvements will include the designation of a privacy room to meet confidentiality for security and business operations, as well as compliance with California Labor Code, such as Sections 1030-1034, which mandate lactation accommodations in the workplace. This space will be incorporated into the KI office reconfiguration to ensure it meets the necessary standards for functionality and accessibility.

Ultimately, City Staff is seeking City Council to approve a sole-source contract with Krueger International, Inc. in the amount of \$70,000 for installation and purchase of office cubicles, furniture, and partition solutions compatible with existing office systems at 1322 Canal Boulevard, with a term ending December 31, 2025 (Attachment 2)

**SYNERGISTIC POLICIES:**

Strategic Goal Areas Two and Five. This contract supports the City's goals of maintaining efficient operations at the Port Administration offices and ensuring that public resources are used effectively to support infrastructure improvements.

**DOCUMENTS ATTACHED:**

Attachment 1 – Sole Source

Attachment 2 – Proposed Contract