



Board Report

File #: 2019-0632, File Type: Contract

Agenda Number: 27.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE SEPTEMBER 19, 2019

SUBJECT: SPACE PLANNING/INSTALLATION SERVICES AND FURNITURE

ACTION: APPROVE CONTRACT MODIFICATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Modification No. 1 to Contract No. PS28069-2000 to exercise the two, one-year options with M3 Office, Inc. for Space Planning/Installation Services and Furniture, in the amount of \$2,000,000 increasing the not-to-exceed total contract value from \$5,000,000 to \$7,000,000 and extending the contract term to March 31, 2022.

ISSUE

This Contract is for a full-service Herman Miller furniture dealer to provide furniture, space planning, and installation services for all Metro's facilities, including new operating facilities and the Gateway Headquarters building. The three-year base period for this Contract with M3 Office Inc. (M3) will expire on March 31, 2020.

To continue providing the furniture planning and installation services, a Contract Modification is required to exercise both of the two, one-year options, extending the period of performance through March 31, 2022.

DISCUSSION

On March 23, 2017, Metro awarded a five-year indefinite-delivery/indefinite quantity contract to M3 in the amount not-to-exceed \$7,000,000 inclusive of two, one-year options. M3 was awarded the Contract with a base term from April 1, 2017 to March 31, 2020.

This contract is a master agreement for space planning, furniture acquisition and installation for existing facilities, and for new facilities when advantageous. The contract type is indefinite delivery/indefinite quantity, which secures favorable pricing for the contract term to meet future space planning and furniture requirements. The contract includes a 4.12% commitment of DBE participation. Based on our assessment of current industry conditions, pricing has not improved since the contract was awarded and Metro is unlikely to get a better deal than we have now.

We are returning to the Board for authorization to exercise both option years. Staff has determined

that expenditures over the remaining life of this contract will continue as anticipated due to Metro growth-related projects.

It is our ongoing sustainability practice to reuse existing furniture that is in good condition before buying new furniture. Standardization of systems furniture provides the ability to reuse components whenever possible to save money and contribute to Metro's environmental goals.

DETERMINATION OF SAFETY IMPACT

Replacing furniture that has reached the end of its useful life with more ergonomically appropriate furniture will improve employee safety.

FINANCIAL IMPACT

The funding of \$1,000,000.00 for these services is included in the FY20 budget in Cost Center 6430 (General Services) under project 100090 Gateway Building Cost.

Since this is a multi-year contract, the cost center manager and Chief Human Capital & Development Officer will be accountable for budgeting the cost in future years, including any option exercised.

Impact to Budget

The source of funds for project 100090 is Federal, State, and local revenues that are eligible for these services.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports Metro's Strategic Plan Goal 5 to provide responsive, accountable and trustworthy governance within the Metro Organization which will foster and maintain a strong safety culture. By replacing furniture that has reached the end of its useful life with more ergonomically appropriate furniture, we will improve the safety of our patrons and employees.

ALTERNATIVES CONSIDERED

The Board may decide not to exercise this contract option and direct staff to engage in a new competitive procurement to meet Metro's space planning and furniture requirements. This alternative has not been recommended because it is unlikely that a new procurement will result in more favorable pricing than the current contract.

NEXT STEPS

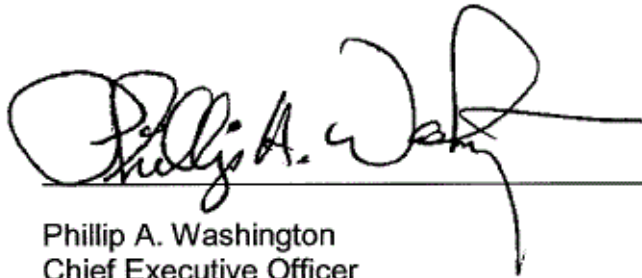
Upon approval by the Board, staff will execute Contract Modification No. 1 with M3 Office, Inc. for Space Planning-Installation Services and Furniture, to exercise the two, one-year options and extend the period of performance through March 31, 2022.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification/Change Order Log
Attachment C - DEOD Summary

Prepared by: Steve Jaffe, Deputy Executive Officer, General Services
(213) 922-6284

Reviewed by: Joanne Peterson, Chief Human Capital & Development Officer
(213) 418-3088
Debra Avila, Chief Vendor/Contract Management Officer
(213) 418-3051



Phillip A. Washington
Chief Executive Officer