

**Board Report**

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**File #:** 2016-0969, **File Type:** Contract**Agenda Number:** 22.

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**EXECUTIVE MANAGEMENT COMMITTEE  
MARCH 16, 2017****SUBJECT: SPACE PLANNING/INSTALLATION SERVICES AND HERMAN MILLER FURNITURE****ACTION: AWARD A FIVE-YEAR INDEFINITE DELIVERY/INDEFINITE QUANTITY CONTRACT****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a five-year, indefinite delivery/indefinite quantity Contract No. PS28069-2000, for **space planning/installation services and furniture**, to M3 Office, Inc., for a not to exceed amount of \$5,000,000 for the three-year base period, and \$1,000,000 for each of the two, one-year options, for a combined total of \$7,000,000 effective April 1, 2017, subject to resolution of protest(s), if any.

**ISSUE**

This Contract is for a full service Herman Miller furniture dealer to provide furniture, space planning, and installation services for all Metro facilities, including new operating facilities and the Gateway Headquarters building. This procurement action replaces Metro's expiring contract for furniture. Combining furniture procurements for many projects into a single contract optimizes Metro's purchasing power, resulting in deeply discounted pricing and excellent service.

**DISCUSSION**

Herman Miller systems furniture for cubicles and Geiger modular furniture for offices form the core of this procurement. Building Services continually reconfigures cubicles and offices in the Gateway Headquarters building to meet ever-changing business needs. This includes implementation of new space standards to accommodate additional staff required for service expansion. These reconfigurations require various furniture components that must work seamlessly with our existing inventory of furniture, and are readily available. This Contract will be utilized to buy new and replacement Herman Miller and Geiger furniture components to support the requirements. In addition, we will introduce new components to refresh the current look, including lighter and more contemporary office furniture for modular offices.

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This Contract will also provide space planning services and furniture for the agency buildings outside the Gateway building. For example, the expiring contract was used to furnish Bus Division 13 (Downtown Los Angeles), and Rail Divisions 14 (Santa Monica) and 24 (Monrovia), and Metro offices at One Santa Fe, among other locations. The new Contract is also expected to furnish the following facilities: Crenshaw Line Division, Emergency Service Operations Center (ESOC), Maintenance of Way Offices (Location 61), Non-Revenue & Facilities Maintenance building at Vernon Yard, and the Rosa Parks Station.

### **DETERMINATION OF SAFETY IMPACT**

This Contract will have a positive impact on safety as new ergonomic furniture is introduced in response to employee specific health and safety concerns.

### **FINANCIAL IMPACT**

The funding of \$400,000 for the Gateway Headquarters building is included in the FY17 budget in cost center number 6430 (Building Services) under project number 100090 (Gateway Building Costs). Since this is a multi-year contract, the cost center manager and Chief Human Capital & Development Officer will be accountable for budgeting costs in future years. Other departments that make use of this Contract will be responsible for the budgeting for those cost centers.

#### **Impact to Budget**

Partial funding for this project is allocated through General Overhead funding which is based on Metro's federally approved indirect-cost-allocation plan which distributes costs agency-wide. The remaining funding for this project will come from the Enterprise Fund as Departments using this Contract will use their budgeted funds. No other funds were considered as these fund sources are an appropriate use for these activities.

### **ALTERNATIVES CONSIDERED**

- A. Purchase furniture on a yearly basis. This alternative is more costly to Metro and is not recommended.
- B. Require each department and project to purchase furniture and space planning/installation services directly with multiple vendors through multiple procurement actions. This alternative is more costly to Metro and is not recommended.

### **NEXT STEPS**


Upon Board Approval, staff will execute Contract No. PS28069-2000 with M3 Office Inc. for space planning and installation services and facilitate transition to the new contractor.

**ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - DEOD Summary

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