

**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**

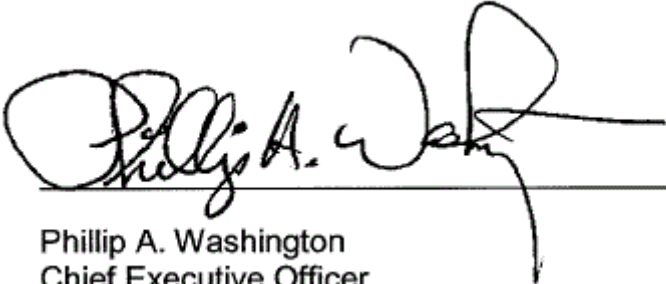
Upon Board Approval, staff will execute Contract No. PS28069-2000 with M3 Office Inc. for space planning and installation services and facilitate transition to the new contractor.

**ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - DEOD Summary

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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

SPACE PLANNING/INSTALLATION SERVICES AND  
HERMAN MILLER FURNITURE / PS28069-2000

1.	<b>Contract Number:</b> PS28069-2000	
2.	<b>Recommended Vendor:</b> M3 Office, Inc.	
3.	<b>Type of Procurement (check one):</b> <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> October 10, 2016	
	<b>B. Advertised/Publicized:</b> October 12, 2016	
	<b>C. Pre-Bid Conference:</b> October 20, 2016	
	<b>D. Bids Due:</b> November 10, 2016	
	<b>E. Pre-Qualification Completed:</b> December 7, 2016	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> November 23, 2016	
	<b>G. Protest Period End Date:</b> March 20, 2017	
5.	<b>Solicitations Picked up/Downloaded:</b> 9	<b>Bids Received:</b> 3
6.	<b>Contract Administrator:</b> Antwaun Boykin	<b>Telephone Number:</b> (213) 922-1056
7.	<b>Project Manager:</b> Paul Gomez	<b>Telephone Number:</b> (213) 922-4888

**A. Procurement Background**

This Board Action is to approve Contract No. PS28069-2000 issued in support of space planning/installation services and Herman Miller furniture for Metro. Metro's 628,000 square foot Gateway Headquarters building located in downtown Los Angeles is furnished entirely with Herman Miller Action Office for cubicles and Geiger for private offices. Metro utilizes Herman Miller Ergon task and office chairs for seating in its headquarters building. In addition to the headquarters building, Metro has several smaller outlying buildings that include bus and rail divisions. These facilities will require not only Herman Miller product, but also space planning and installation services. Board approval of contract awards are subject to resolution of all properly submitted protest.

IFB No. PS28069-2 was issued in accordance with Metro's Acquisition Policy and the contract type is an indefinite quantity/indefinite delivery.

Two amendments were issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on October 21, 2016 clarified Pre-Bid Documents;
- Amendment No. 2, issued on November 4, 2016 clarified Article IX: Ordering, Exhibit 3 - Statement of Work, Attachment A - Task Order Form and Task Order Price Summary and Schedule of Quantities and Prices Form.

A pre-bid conference was held on October 20, 2016 and was attended by three participants representing two firms.

A total of three bids were received on November 10, 2016.

**B. Evaluation of Bids**

This procurement was conducted in accordance and complies with Metro's Acquisition Policy for a competitive sealed bid. The three bids received are listed below in alphabetical order:

1. M3 Office, Inc.
2. Pivot Interiors, Inc.
3. The Sheridan Group

All firms were determined to be responsive, responsible and qualified to perform the services based on the IFB's requirements.

As required by the IFB, firms submitted bid pricing that was based on scenarios that included (1) space planning services and installation services rates, (2) standard office setups using Herman Miller furniture, (3) standard office setups using Geiger furniture, and (4) a private office furniture setup. The following bids were submitted by the firms:

<b>Bidder Name</b>	<b>Bid Amount</b>
M3 Office, Inc.	\$47,591.66
The Sheridan Group	\$49,929.84
Pivot Interiors, Inc.	\$52,256.48

**C. Price Analysis**

The recommended bid price from M3 Office, Inc. has been determined to be fair and reasonable based upon adequate competition, reviews of space planning and installation service rates, and applicable furniture discount percentages.

Metro's recommended not to exceed contract award amount is based upon total estimated future space planning services, installation services and furniture needs of the agency over the next five years.

**D. Background on Recommended Contractor**

The recommended firm, M3 Office, Inc., located in Pasadena, CA has been in business for 19 years, and is a leader in space planning/installation services and furniture. M3 Office, Inc. has current projects with such agencies as Department of Children and Family Services, LA County Sheriff's Department, and Department of

Public Social Services (Norwalk). M3 Office, Inc. has also completed projects with LA County's Hall of Justice, Department of Public Health and expansion of the Pasadena Rose Bowl. M3 Office's team consists of account/project managers with 15 years of experience. M3 Office also has several other specialty managers with experience ranging from 15 to 24 years.

## DEOD SUMMARY

SPACE PLANNING/INSTALLATION SERVICES AND  
HERMAN MILLER FURNITURE / PS28069-2000**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 3% Disadvantaged Business Enterprise (DBE) goal for this Indefinite Delivery/Indefinite Quantity (IDIQ) contract. M3 Office Inc. exceeded the goal by making a 4.12% DBE commitment. DBE participation is based on the aggregate value of all task orders issued.

<b>Small Business Goal</b>	<b>3% DBE</b>	<b>Small Business Commitment</b>	<b>4.12% DBE</b>
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	<b>DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>
1.	Décor Interior Design, Inc.	African American	4.12%
	<b>Total Commitment</b>		<b>4.12%</b>

**B. Living/Prevailing Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy is not applicable to this Contract.

**C. Prevailing Wage Applicability**

Prevailing Wage requirements are applicable to this project. DEOD will monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract.