

MOTION NO. M2018-41
Furniture Procurement and Installation Contract

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	04/05/2018	Final Action	Bonnie Todd, Executive Director of Operations Bruce Polnicky, Director of Facilities and Asset Control, Operations

PROPOSED ACTION

Authorizes the chief executive officer to execute a 33-month contract with MBI Systems, Inc. to provide furnishings for various space planning projects, for a total authorized contract amount not to exceed \$2,202,000 plus applicable taxes.

KEY FEATURES SUMMARY

- This action is needed to accommodate future staff growth and maximize office space within all Sound Transit administrative office spaces. The scope includes replacement of existing furniture reaching functional end of life.
- The contract scope of work includes specification, fabrication, delivery and installation of Herman Miller furnishings for various space planning projects for the remainder of 2018 plus any options to extend.
- This action will provide ergonomic furniture and other required furniture needs for new work spaces that include 99 cubicles, 29 offices, and 16 conference rooms as well as 78 replacement cubicles.
- Sound Transit is using a “piggyback” contract developed by U.S. Communities that will provide a discount up to 71 percent off selected furnishings.
- The Herman Miller furniture was selected for cost effectiveness based on functionality, durability and simplicity of reconfiguration and is consistent with the agency’s furnishings on all Sound Transit occupied floors of 315 Fifth Ave S., 625 Union Station, 705 Union Station, Maintenance of Way Building, and renovated areas of Union Station.
- The total not to exceed amount will cover costs for 2018. Staff will return to seek Board approval to fund future office space projects as plans become finalized for 2019 and 2020.
- Applicable taxes are currently estimated to be \$222,402.

BACKGROUND

Since 2008, Sound Transit has seen rapid growth in personnel. Beginning in 2009, Sound Transit started to acquire additional space at the 5th and Jackson, 705 and 605 buildings in addition to reconfiguring some areas of the existing Union Station and 625 buildings in order to meet the Agency’s staffing space needs. As staff numbers continue to grow, efforts are being made to accommodate the growth, which include reconfiguring further areas of Union Station and the 625 building. The renovations included decreasing the workstation sizes to the new Sound Transit standard of 6’x8’.

With the passage of ST3 in November 2016, the space needs to accommodate staff working on the service expansion is significant. Current projections show an increase of more than 350 staff and consultants between March 2018 and the end of 2019.

Besides providing for 206 new work spaces (99 cubicles and 29 offices) and 16 conference rooms, this contract will provide for 78 replacement cubicles, replacing furnishings that were installed in 1999 and are now obsolete.

The discount offered by the U.S. Communities' Herman Miller contract is based on a high volume discount. By utilizing this contract, Sound Transit will receive up to a 71 percent discount from list prices depending on the specified components.

Herman Miller furnishings are in use on the agency's occupied floors of 315 Fifth Avenue S., 625 Union Station, and renovated areas of Union Station. Consistent furnishings provide for efficient spare parts inventory and space reconfigurations.

MBI Systems is the local supplier of Herman Miller office furniture. Sound Transit will place the order through MBI Systems. Services through MBI Systems are in accordance with the U.S. Communities program pricing. MBI Systems is responsible for typical order management, order acknowledgement, warranty and service, installation, and orientation functions.

PROCUREMENT INFORMATION

Sound Transit has chosen to utilize a cooperative purchasing method with U.S. Communities. The lead agency, Fairfax County, Virginia, publicly advertised a request for proposals for Office Furniture, resulting in three contract awards including Herman Miller. The local supplier of Herman Miller furniture under this contract is MBI Systems, Inc. Sound Transit has had success with this purchasing method in the past for supplying office furniture systems to the Agency.

The Herman Miller contract with U.S. Communities expires on December 31, 2020. The Ethospace furniture system previously chosen as a standard for the Agency comes with a 71 percent discount for shipping, 69 percent discount for delivery, 66 percent discount for basic installation, and 64 percent discount for expanded installation.

FISCAL INFORMATION

The proposed action is split between two cost centers in compliance with accounting policies and procedures. The majority of the cost is to procure furniture systems for several locations and will be funded through the Administrative Capital project which supports agency administrative facilities. The balance of the costs are supporting agency consultant space planning to efficiently and effectively ensure the agency maximizes its available office and cubicle space during a period of staff growth. These costs are represented in the tables below.

The Authorized Program Budget for the Administrative Capital project is \$17,283,724. Within that amount \$17,282,612 has been allocated to the Administrative Capital phase. The proposed action would commit \$2,255,108 to this phase leaving an unexpended balance of \$225,852.

This action is within the Authorized Program Budget and sufficient monies remain after approval of the action to fund the remaining work in the Administrative Capital phase as anticipated through the end of 2018.

The Operations Department has sufficient financial capacity to fund the anticipated space planning consultant costs during 2018.

Administrative Capital
(in thousands)

Project Phase	2018 Authorized Project			Board Approved Plus Action	Uncommitted / (Shortfall)
	Allocation to Date	Board Approvals	This Action		
Administrative Capital	\$17,282	\$9,373	\$2,255	\$11,629	\$5,653
Contingency	2	2			2
Total Current Budget	\$17,284	\$9,376	\$2,255	\$11,629	\$5,655

Phase Detail - Administrative Capital

Office Equipment-Furniture	\$9,157	\$6,676	\$2,255	\$8,931	\$226
Non Revenue Vehicles	3,506	2,411	0	2,411	1,095
Administrative Facilities Upgrades	4,619	287	0	287	4,332
Total Phase	\$17,282	\$9,373	\$2,255	\$11,629	\$5,653

MBI Systems INC.
Contract Detail

Contract Detail	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
	Contract Amount	\$	\$	\$2,048
Contingency Amount			0	0
Estimated Tax			207	207
Total Contract Amount	\$	\$	\$2,255	\$2,255
Percent Contingency	0%	0%	0%	0%

Notes:

Amounts are expressed in Year of Expenditure as of Feb 2018
Board Approvals = Committed To-Date + Contingency and includes pending Board actions.
For detailed project information, see page 146 of the Proposed 2018 Transit Improvement Plan (TIP).

Operations
(in thousands)

Cost Category	2018 Annual Operating Budget ¹	YTD Actuals ²	This Action (Current Year Impact Only)	YTD Actuals Plus Action (Current Year Only)	Remaining Annual Operating Budget
Salaries and Benefits	\$21,265	\$	\$	\$	\$21,265
Services	67,957	9,538	169	9,708	58,249
Materials and Supplies	11,663				11,663
Utilities	5,632				5,632
Taxes	2,868				2,868
Purchased Transportation Services	177,101				177,101
Miscellaneous	480				480
Leases and Rentals	9,140				9,140
Total Annual Operating Budget	\$296,106	\$9,538	\$169	\$9,708	\$286,398

Contract Spending Plan	Spending to Date ³	Forecasted Spend for Remainder of 2018	Future Spending	Total
	\$	\$169	\$	\$169

MBI Systems, INC Contract Detail	Board Approved Contract Value	Proposed Action	Proposed Revised Board Approved Contract Value
Contingency		\$154	\$154
		0	\$
Contract Amount		154	\$154
Current Tax Estimate		16	16
Contract Amount - Total		\$169	\$169
Percent Contingency	0%	0%	0%

Notes:

¹2018 Annual Operating Budget is located on page 22 of the Proposed 2018 Budget book.
²YTD Actuals as of February 28, 2018.
³Spending to Date as of February 28, 2018.

SMALL BUSINESS/DBE PARTICIPATION

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of Small Businesses/DBEs available to perform such subcontracting work.

Sound Transit determined that there were few Small Business and DBE subcontracting opportunities based upon the work described in this contract, so Small Business/DBE goals were not established.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

A delay in this action will result in a later occupancy date for multiple Sound Transit teams.

ENVIRONMENTAL REVIEW

KH 3/23/2018

LEGAL REVIEW

AJP 3/30/2018

MOTION NO. M2018-41

A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a 33 month contract with MBI Systems, Inc. to provide furnishings for various space planning projects, for a total authorized contract amount not to exceed \$2,202,000, plus applicable taxes.

BACKGROUND:

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MOTION:

It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a 33 month contract with MBI Systems, Inc. to provide furnishings for various space planning projects, for a total authorized contract amount not to exceed \$2,202,000, plus applicable taxes.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held April 5, 2018.



Paul Roberts
Operations and Administration Committee Chair

ATTEST:



Kathryn Flores
Board Administrator