



Motion No. M2019-55

Contract Modification for Furniture Procurement and Installation

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience and Operations Committee	06/06/2019	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 contract modification with MBI Systems, Inc. to continue to provide furnishings for various space planning projects in the amount of \$3,122,285, for a new total authorized contract amount not to exceed \$5,324,285 plus applicable taxes.

Key features summary

- The original MBI Systems, Inc. contract approved by the Board in April 2018 covered Sound Transit furnishing costs for 2018. At that time, staff stated they would return with a request for additional contract authority as space plans became finalized for 2019 and 2020.
- This contract amendment covers specification, fabrication, delivery and installation of Herman Miller furnishings for various space planning projects for 2019 and 2020.
- 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 with ergonomic furniture and adding required furniture for new work spaces and reconfigured work spaces.
- 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, 605 Union Station, 705 Union Station, Maintenance of Way Building, Operations & Maintenance Facility, and Union Station.
- Applicable taxes are currently estimated to be \$537,753.

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 included 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 feet x 8 feet.

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 almost 300 staff and consultants from staffing counts in April 2018.

Besides providing for 259 new work spaces (194 cubicles and 65 offices) and 13 conference rooms, this contract will provide for 9 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 order management, order acknowledgement, warranty and service, installation, and design and orientation functions.

Procurement information

Sound Transit chose to utilize a cooperative purchasing method with U.S. Communities, which has now changed its name to Omnia Partners. 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 Omnia Partners 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

This action executes a contract modification with MBI Systems, Inc. for an additional \$3,122,285 plus applicable taxes. The contract modification includes funding from both the Administrative Capital project (to provide furnishings for various large scale space planning projects) and the Operations department (for space planning reconfigurations and small projects within existing spaces) for a total authorized amount not to exceed \$5,324,285 plus applicable taxes.

The Administrative Capital project budget is \$62,283,724. Within that amount, \$62,088,373 has been allocated to the admin capital phase. The proposed action would commit \$2,938,938 and leave a remaining budget balance of \$44,718,429.

The Services category within the Operations department's annual operating budget is \$76,846,533 of which a total of \$136,029 is estimated to be spent in 2019 against this contract. After the approval of this action, the remaining annual budget amount will be used to fund other department expenditures anticipated in 2019. Future year expenses will be included in subsequent annual budgets submitted to the Board for adoption.

Contract Detail for MBI Systems, Inc.
(in thousands)

Contract Detail	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amounts - Administrative Capital Project	\$2,048	\$2,048	\$2,669	\$4,717
Contract Amounts - Operations Department	\$154	\$154	\$453	\$607
Estimated Taxes	\$222	\$222	\$315	\$538
Contingency Amount	-	-	-	-
Total Contract (plus estimated taxes)	\$2,424	\$2,424	\$3,438	\$5,862
Percent Contingency	0%	0%	0%	0%

Administrative Capital Project

Project Phase	Authorized Project Allocation	Board Approvals	This Action (with estimated taxes)	Board Approved Plus Action	Uncommitted / (Shortfall)
Admin Capital	\$62,088	\$14,431	\$2,939	\$17,370	\$44,718
Agency Administration	195	19		19	177
Total Current Budget	\$62,284	\$14,450	\$2,939	\$17,389	\$44,895

Notes:

Board Approvals = Committed To-Date + Contingency as of April 2019 and includes pending Board actions.
For detailed project information, see page 301 in the 2019 Financial Plan & Adopted Budget. The budget amount above reflects the adopted authorized project allocation.

Operations Department

Cost Category	2019 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	23,515	6,928		6,928	16,587
Services	\$76,847	\$21,042	\$136	\$21,178	\$55,669
Materials and Supplies	11,340	4,648		4,648	6,691
Utilities	5,868	1,816		1,816	4,052
Insurance		-949		-949	949
Taxes	2,975	1,192		1,192	1,783
Purchased Transportation Service	196,186	66,116		66,116	130,070
Miscellaneous	567	90		90	477
Leases and Rentals	8,735	3,339		3,339	5,397
Total Annual Operating Budget	\$326,032	\$104,221	\$136	\$104,357	\$221,675

Notes:

- 2019 Annual Operating Budget is located on page 135 of the 2019 Financial Plan & Adopted Budget .
- YTD actuals as of April 30, 2019.

Small and Disadvantaged Business 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.

MBI Systems, Inc. is certified as a Disadvantaged Business Enterprise (DBE) and Minority/Women Business Enterprise (MWBE).

Public involvement

Not applicable to this action.

Time constraints

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

Prior Board/Committee actions

Motion No. M2018-41: Authorized 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.

Environmental review – KH 5/28/19

Legal review – AJP 5/31/19



Motion No. M2019-55

A motion of the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract modification with MBI Systems, Inc. to continue to provide furnishings for various space planning projects in the amount of \$3,122,285, for a new total authorized contract amount not to exceed \$5,324,285 plus applicable taxes.

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 included 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 feet x 8 feet.

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This contract amendment covers specification, fabrication, delivery and installation of Herman Miller furnishings for various space planning projects for 2019 and 2020.

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 with ergonomic furniture and adding required furniture for new work spaces and reconfigured work spaces.

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 almost 300 staff and consultants from staffing counts in April 2018.

Besides providing for 259 new work spaces (194 cubicles and 65 offices) and 13 conference rooms, this contract will provide for 9 replacement cubicles, replacing furnishings that were installed in 1999 and are now obsolete.

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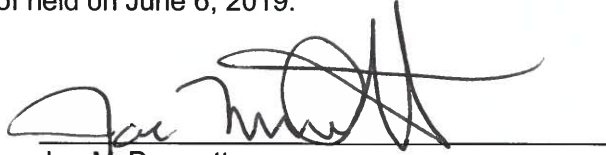
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Motion

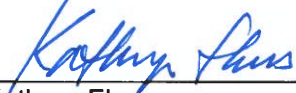
It is hereby moved by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract modification with MBI Systems, Inc. to continue to provide furnishings for various space planning projects in the amount of \$3,122,285, for a new total authorized contract amount not to exceed \$5,324,285 plus applicable taxes.

APPROVED by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 6, 2019.



Joe McDermott
Operations and Administration Committee Vice Chair

Attest:



Kathryn Flores
Board Administrator