

Date: August 14, 2019

To: Board of Directors

From: Doug Kelsey



Subject: RESOLUTION NO. 19-08-60 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT MODIFICATION WITH HERMAN MILLER, INC. FOR FURNITURE AND ANCILLARY SERVICES

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute a contract modification (Modification) with Herman Miller, Inc. (Herman Miller) for Office Furniture and Ancillary Services (Services).

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Reason for Board Action

Board authorization is required for all goods and services contracts obligating TriMet to pay in excess of \$1,000,000.

4. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

5. Background

TriMet's Facilities department is responsible for purchasing office furniture for the agency. This includes items such as cubicle walls, storage furniture, and chairs, as well as ancillary installation services. In 2013, while TriMet was in the process of moving to Harrison Square, staff secured a contract to meet these purchasing needs on an on-going basis by working through U.S. Communities (now known as Omnia Partners), a national cooperative public sector purchasing organization of which TriMet is a member. Omnia/U.S. Communities had selected Herman Miller as a furniture vendor after a competitive, public procurement process. Because a competitive process had already been conducted, TriMet determined that

a piggyback contract with Herman Miller was prudent and would best meet the needs of the Agency for the foreseeable future.

TriMet's initial contract with Herman Miller was for \$50,000, but subsequent modifications raised the total contract authority to \$999,999. Over the life of the contract, these modifications have been necessary due to Agency expansion and workforce growth. A recent purchase of office furniture for tenant improvements constructed for TriMet on the first floor of Harrison Square nearly exhausted the funds available under the contract at that time. Therefore, in March 2019, the Board approved resolution 19-03-16, which increased the amount of the Herman Miller contract to \$1,359,326. This revised contract authority reflected TriMet's understanding of its anticipated needs at that time.

Subsequently, TriMet's recently established Space Planning Steering Committee (Committee) conducted a more comprehensive review of the Agency's anticipated needs for the purchase and installation of office furniture through the December 2020 end of the Herman Miller contract. In addition to the office furniture needs identified to accommodate Agency expansion and workforce growth (\$300,000), the Committee estimates daily operational needs for the Agency through the contract period of \$270,000. Further, Maintenance Operations recognizes that several projects from other TriMet divisions will soon require the purchase and installation of office furniture, including the newly renovated Powell Garage (\$400,000), the new Transit Police Office (\$350,000), and the new Columbia Bus Base (\$155,000).

After considering the estimated office furniture needs of these projects, the remaining contract authority, and allowing for some contingency, Maintenance Operations seeks to increase the contract amount by \$1,311,708, for a new contract value of \$2,671,034.

6. Procurement Process

As described above, this piggyback contract initially was procured following an RFP process conducted by Omnia Partners, a national, cooperative, public sector purchasing organization of which TriMet is a member.

7. Financial/Budget Impact

The amount of the contract Modification is included in the Maintenance Operations division's approved FY 2020 budget.

8. Impact if Not Approved

Maintenance Operations is satisfied with Herman Miller's performance under its contract to date. Should the Board not approve the Resolution, the goods and services can be re-procured. This option is not recommended because it will delay obtaining goods and services required to satisfy immediately anticipated Agency needs. Further, the original contract was obtained via a competitive process and re-procuring is not likely to result in better pricing or a more qualified vendor.

RESOLUTION NO. 19-08-60

**RESOLUTION NO. 19-08-60 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A
CONTRACT MODIFICATION WITH HERMAN MILLER, INC. FOR
FURNITURE AND ANCILLARY SERVICES**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract modification with Herman Miller, Inc. for Office Furniture and Ancillary Services; and

WHEREAS, TriMet's Maintenance Operations division has identified additional Office Furniture and Ancillary Services needed by various TriMet divisions which will require \$1,311,708 more than the currently authorized contract amount; and

WHEREAS, the contract Modification would raise the total authorized contract amount from \$1,359,326 to \$2,671,034; and

WHEREAS, by Resolution dated October 25, 2017, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring it to approve goods and services contracts obligating TriMet to pay in excess of \$1,000,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the contract Modification shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute a contract Modification in the amount of \$1,311,708 to the Herman Miller Contract, through its December 2020 termination date.

Dated: August 14, 2019

Attest:

Presiding Officer

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department

