



Board Report

File #: 2025-0071, File Type: Contract

Agenda Number: 23.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MARCH 20, 2025

SUBJECT: METRO AGENCYWIDE FURNITURE AND MOVING SERVICES

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a five-year, Indefinite Delivery/Indefinite Quantity (IDIQ) Contract No. PS125302000, for furniture, space planning, and installation services, to M3 Office, Inc., for a Not-to-Exceed (NTE) amount of \$3,475,000.00 for the three-year base period and \$1,075,000.00 for each of the two, one-year options, for a combined total of \$5,625,000.00 effective April 1, 2025, subject to the resolution of any properly submitted 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. The current Metro furniture, space planning, and installation services contract will expire on March 31, 2025.

BACKGROUND

The initiation of a Herman Miller furniture contract was for the original opening of the Gateway building in 1994. Since that time there have been numerous furniture procurements to continue to provide furnishings for the ebb and flow of growth at Metro.

The previous contract was awarded to M3 Office Inc by the Board at its meeting in May 2017 for a three-year contract in the amount of \$5,000,000 with two one-year options of \$1,000,000 each. Both options one and two were modified in 2019. Contract Modification Authority was granted for \$500,000 in March of 2022. Due to a failed procurement there was an extension and an additional \$1,500,000 was authorized to allow for the continued furniture needs while a new procurement could be initiated. Then in November 2024 the most current non-monetary extension was granted which extended the life of the contract to expire March 31, 2025.

DISCUSSION

Herman Miller systems furniture for cubicles and offices form the core of this procurement. Facilities

Maintenance continually reconfigures cubicles and offices in Metro buildings and divisions to meet ever-changing business needs. For example, the existing contract was used to furnish Bus Division 9, the Metro Transit Training and Innovation Center, and the New Emergency Security Operation Center (ESOC).

The new contract includes the 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 furniture components to support the requirements.

This procurement also includes space planning and move services. This is to augment the in-house capabilities if the need arises to restack the Gateway building as staff re-populate the building due to office space needs. These services have been included in the contract to be able to plan for large scale staffing changes, for instance the TCPSD group. Ambassadors and others. Also, these changes will allow Metro to quickly respond to any changes in the workforce due to upcoming large events.

DETERMINATION OF SAFETY IMPACT

This Contract will positively impact safety as new ergonomic furniture is introduced in response to employee-specific health and safety concerns. A workspace designed with safety in mind helps prevent common workplace injuries <<https://www.who.int/tools/occupational-hazards-in-health-sector/occupational-injuries>> such as repetitive strain, slips, falls, or ergonomic-related issues. Additionally, an ergonomically designed workspace directly impacts productivity.

FINANCIAL IMPACT

The funding of \$300,000 for the Gateway Headquarters building is included in the FY25 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 Deputy Chief Operations Officer will be accountable for budgeting costs in future years. Please note that funding for furniture is also budgeted in various cost centers and operating and capital projects through Metro, as other departments that make use of this Contract will be responsible for the budgeting of these costs for their respective cost center(s).

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.

EQUITY PLATFORM

The Diversity and Economic Opportunity Department (DEOD) established an overall 8% Disadvantaged Business Enterprise (DBE) goal for this procurement. M3, Inc., a DBE firm, met the goal by making an overall 8% DBE commitment.

Securing the furniture contract will help create a more inclusive and accessible workspace for employees of diverse backgrounds and abilities. The contract will also enable the provision of new ergonomic furniture, potentially enhancing employee comfort and productivity across all demographics at all facilities. This improvement could lead to greater job satisfaction and retention of diverse talent, supporting Metro's commitment to diversity and equal opportunities across departments.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. While this item does not directly encourage taking transit, sharing a ride, or using active transportation, it is a vital part of Metro operations, as it will increase accessibility, comfort, and productivity in workspaces across LA Metro. Because the Metro Board has adopted an agency-wide VMT Reduction Target, and this item supports the overall function of the agency, this item is consistent with the goals of reducing VMT.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This Board action also supports Strategic Goal 5, which is to provide responsive, accountable, and trustworthy governance within the Metro organization. Ensuring that all employees have a more inclusive and accessible workspace, including a provision of new ergonomic furniture for all Metro facilities.

ALTERNATIVES CONSIDERED

Staff have considered the following alternatives; however, they are not recommended.

- 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. PS125302000 with M3 Office, Inc. for furniture, space planning, and installation services and facilitate the transition to the new contractor.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Merrilu Alfaro, Director, General Services, (213) 922-2154

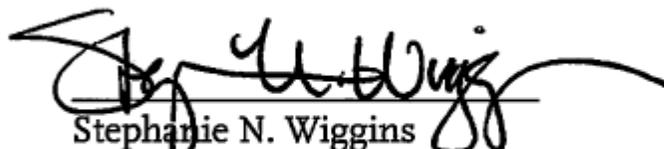
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Reviewed By: Conan Cheung, Chief Operations Officer (213) 418-3034



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

METRO AGENCYWIDE FURNITURE AND MOVING SERVICES/PS125302000

1.	Contract Number: PS125302000	
2.	Recommended Vendor: M3 Office Inc.	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 09/06/2024	
	B. Advertised/Publicized: 09/06/2024	
	C. Pre-Proposal Conference: 09/17/2024	
	D. Proposals Due: 10/10/2024	
	E. Pre-Qualification Completed: 02/03/2025	
	F. Ethics Declaration Forms submitted to Ethics: 10/15/2024	
	G. Protest Period End Date: 03/25/2025	
5.	Solicitations Downloaded: 15	Bids/Proposals Received: 2
6.	Contract Administrator: Tina Hoffstetter	Telephone Number: 213-922-2775
7.	Project Manager: Merrilu Alfaro	Telephone Number: 213-922-2154

A. Procurement Background

This Board Action is to approve Contract No. PS125302000 issued to provide office furniture, workspace components, interior space planning, and move coordination services. Board approval of contract awards is subject to the resolution of any properly submitted protest(s), if any.

Request for Proposals (RFP) No. PS125302 was issued in accordance with Metro’s Acquisition Policy and the contract type is an Indefinite Delivery/Indefinite Quantity (IDIQ). The Diversity & Economic Opportunity Department recommended a Disadvantaged Business Enterprise (DBE) goal of 8%.

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

- Amendment No. 1, issued on September 12, 2024 clarified the Pre-proposal Conference date
- Amendment No. 2 issued September 16, 2024 amended the Insurance Requirements, Evaluation Criteria, Schedule of Quantities and Prices, and Task Order sections

A total of 14 firms downloaded the RFP and were included in the planholders’ list. A virtual pre-proposal conference was held on September 17, 2024 and was attended by 14 participants representing three firms. There was one question received for this RFP and the response was provided prior to the proposal due date.

A total of two proposals were received on the due date of October 10, 2024, from the following firms listed below in alphabetical order:

1. M3 Office, Inc.
2. The Sheridan Group

Staff conducted a market survey to request information from prospective proposers to determine why no additional proposals were submitted. Inquiries were made of all firms that downloaded the solicitation. One firm responded that the RFP document was quite extensive and they didn't have time to propose; another firm responded that they did not qualify as a small business and the margins were too low, and another firm responded that they currently only had interim staff. The results of the market survey indicated that factors beyond Metro's control caused the potential sources not to submit bids and that there were no restrictive elements in the solicitation documents that prevented competition.

B. Evaluation of Proposals

A diverse Proposal Evaluation Team (PET) consisting of staff from the Building Services Department, Corporate Safety Department, and Operations Administration Department was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- | | |
|--|------------|
| • Minimum Qualifications | Pass/Fail |
| • Qualification of the Firm/Team | 20 percent |
| • Qualifications of Key Personnel | 20 percent |
| • Understanding of the Scope of Services and Proposed Approach | 30 percent |
| • Price | 30 percent |

The evaluation criteria are appropriate and consistent with criteria developed for other, similar furniture and space planning type procurements. Several factors were considered when developing these weights, giving the greatest importance to Understanding of the Scope of Services and Proposed Approach and Price.

The Sheridan Group was determined to be non-responsive to the technical, certification, and DEOD requirements of the solicitation and was eliminated from further consideration.

The evaluation committee conducted an evaluation of the proposal submitted by M3 Office, Inc. The PET reviewed the proposer's qualifications, capabilities, key personnel, understanding of the scope of services and proposed approach. Upon conclusion of the evaluation, it was determined that the proposer was qualified to provide the services.

Qualifications Summary of Firms within the Competitive Range:

M3 Office Inc.

M3 Office Inc. has been in business since 1997 and is a certified DBE. The firm shows strengths in the relevant experience of its team members, longevity in the industry, and detailed response to space planning and installation process. The firm has two Project Managers with a combined 30 years of experience working with installation and reconfiguration projects.

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	M3 Office Inc.				
3	Qualifications of the Firm	90.05	20.00%	18.01	
4	Qualification of Key Personnel	83.40	20.00%	16.68	
5	Understanding of the SOS and Proposed Approach	68.90	30.00%	20.67	
6	Price Proposal	100.00	30.00%	30.00	
7	Total		100.00%	85.36	1

C. Cost/Price Analysis

The recommended proposal from M3 Office, Inc. has been determined to be fair and reasonable based upon the expectation of adequate price competition, and previous contracts for similar services. The difference between Metro’s Independent Cost Estimate (ICE) and the proposal is due to methods of calculation. The ICE was developed as the Not-to-Exceed amount that would be used as a ceiling price for the contract and is based on the projected furniture and space planning needs of the Agency over the life of the contract. The RFP requested firm fixed unit rate pricing for space planning and installation services and fixed discounts for high-volume pieces of furniture that are expected to be frequently purchased. The Proposers were provided hypothetical orders that they would have to price in accordance with their proposed rates and discounts. This was done in order to permit the evaluation of proposals, however, the proposal amount is not indicative of the work that will be conducted as all work will be issued through individual task orders, as needs arise.

	Proposer Name	Proposal Amount	Metro ICE	Negotiated or NTE amount
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1.	M3 Office Inc.	\$48,809.00	\$5,625,000.00	\$5,625,000.00
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D. Background on Recommended Contractor

The recommended firm, M3 Office Inc., located in the City of Pasadena, CA, has been in business for 28 years and is a leader in the Office Furniture space including Space Planning and Design. M3 Office Inc has been a Herman Miller dealer for 19 years. M3 has completed projects for other agencies such as the Los Angeles Registrar, and the Los Angeles Sheriff's Department. M3 Office, Inc. has is also the incumbent contractor providing services to Metro and has performed satisfactorily.

DEOD SUMMARY

METRO AGENCYWIDE FURNITURE AND MOVING SERVICES/PS125302000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established an overall 8% Disadvantaged Business Enterprise (DBE) goal for this Task Order Contract. M3 Office Inc., a DBE firm, met the goal by making an overall 8% DBE commitment.

In response to a specific Task Order request with a defined scope of work, M3 Office Inc. will be required to identify DBE subcontractor activity and actual dollar value commitments for that Task Order. Overall DBE achievement in meeting the commitments will be determined based on cumulative DBE participation of all Task Orders awarded.

Small Business Goal	8% DBE	Small Business Commitment	8% DBE
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	DBE Subcontractor	% Committed
1.	M3 Office Inc. (DBE Prime)	8%
	Total DBE Commitment	8%

B. Living Wage and Service Contract Worker Retention Policy Applicability

Metro included moving service in the subject contract for large-scale moves. When these moving services are used, the Living Wage and Service Contract Worker policy will apply.

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) will be applicable on this Contract. Metro staff will monitor and enforce the policy guidelines to ensure that workers are paid at minimum, the current Living Wage rate of \$25.23 per hour (\$19.28 base + \$5.95 health benefits), including yearly increases. In addition, Contractors will be responsible for submitting the required reports for the LW/SCWRP and other related documentation to staff to determine overall compliance with the policy.

LW/SCWRP is applicable on Professional Service Contracts listed below that are \$25,000.00 or greater and have a contract term of three (3) months or more. The LW/SCWRP will apply to professional service contracts for Asphalt and Concrete Repair, Facility and Building Maintenance, Food Services, Janitorial and Custodial, Landscaping, Laundry Services, Moving Services, Office and Clerical (copier maintenance, facsimile maintenance, courier mailing, photographic, printing, collections), Parking Lot Management, Pest Control, Security, Street Sweeping,

Towing, Trash Collection, Tree Trimming, Weed Abatement and Debris Removal; and any other Service or labor determined by Metro's Board of Director, Executive Management and DEOD, to meet the intent of this Policy.

DEOD Staff will input current Living Wage hourly rates during the development of the Board Report. The policy guidelines are applicable from conception to completion of the service contracts, including change order and modification work.

C. Prevailing Wage Applicability

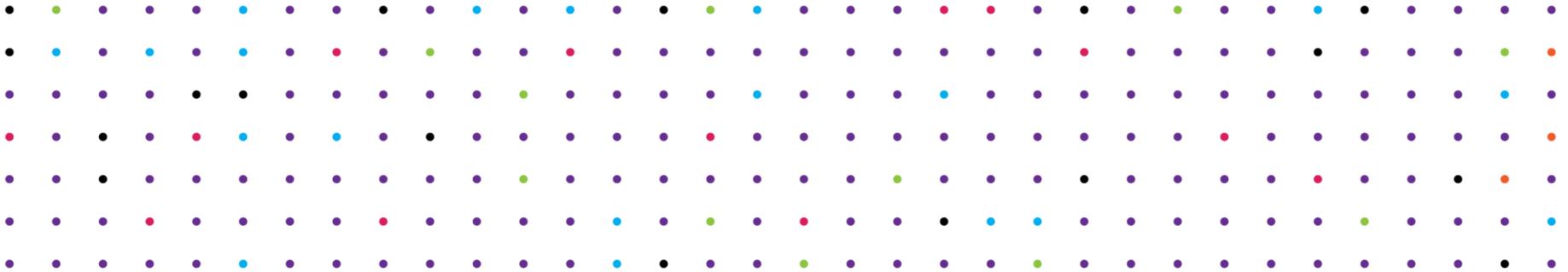
Prevailing Wage requirements are applicable to this project. DEOD will continue to monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

D. Project Labor Agreement/Construction Careers Policy

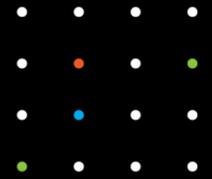
Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.

METRO AGENCYWIDE FURNITURE AND MOVING SERVICES ITEM 2025-0071

Date: MARCH 20, 2025

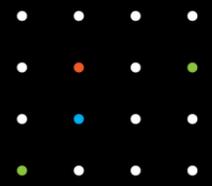


RECOMMENDATION



AUTHORIZE the Chief Executive Officer to award a five-year, Indefinite Delivery/Indefinite Quantity (IDIQ) Contract No. PS125302000, for furniture, space planning, and installation services, to M3 Office Inc., for a Not-to-Exceed (NTE) amount of \$3,475,000.00 for the three-year base period, and \$1,075,000.00 for each of the two, one-year options, for a combined total of \$5,625,000.00 effective April 1, 2025, subject to the resolution of any properly submitted protest(s), if any.

AWARD/PROPOSALS



AWARDEE

M3 Office Inc.

NUMBER OF PROPOSALS

2 Total; 1 Non-Responsive

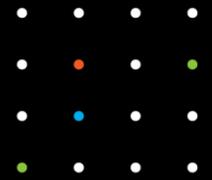
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7	Total		100.00%	85.36	1

DEOD COMMITMENT

8% DBE Commitment



ISSUE AND DISCUSSION



ISSUE

The current Metro furniture, space planning and installation services contract will expire on March 31, 2025.

DISCUSSION

This will provide systems furniture for cubicles and offices throughout Metro facilities including USG Headquarters to accommodate new staff for service expansion as well as seamless replacement of existing components. This is an as-needed task-order based contract.