

Date: July 27, 2022

To: Board of Directors

From: Sam Desue Jr.

Subject: RESOLUTION NO. 22-07-44 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT MODIFICATION WITH HMI OREGON DEALERSHIP, INC. DBA PACIFICWRO

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 HMI Oregon Dealership, Inc. DBA PacificWRO (formerly known as Herman Miller) for Systems Furniture and Ancillary Furniture Support Services.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Type of Contract Procurement

- Low Bid / Invitation to Bid (ITB)
- Request for Proposals (RFP) (inc. CM/GC)
- Request for Qualifications (RFQ) (Personal Services)
- Other (inc. sole source): Piggyback agreement

4. Reason for Board Action

Board approval is required for contracts that exceed \$1,000,000, and the Modification will increase the contract amount to more than \$1,000,000.

5. Type of Action

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

6. Background

TriMet's Real Property 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, 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 based on the Omnia/U.S. Communities competitive procurement was prudent, and would best meet the needs of the Agency for the foreseeable future. In 2019, TriMet staff again utilized a piggyback contract for these office furniture goods and services.

TriMet maintains contract #PL210081AB with PacificWRO, the authorized area dealer for Herman Miller brand furniture. TriMet's initial contract with PacificWRO was for \$950,000, and included the Powell Garage Replacement - Phase I (\$400,000), the new Transit Police Office (\$350,000), and the new Columbia Bus Base (\$155,000). The funds available under the initial Pacific WRO contract are now nearly exhausted.

TriMet's Space Planning Program Coordinator recently conducted a review of the Agency's anticipated needs for the purchase and installation of office furniture. The projected office furniture needed to accommodate current Agency workforce growth is estimated at \$200,000, and Agency daily operational furniture needs is estimated at \$200,000. The office move from Harrison Square to One Main Place in June 2023 is estimated to cost \$2,870,000. In addition, Phase II of the Powell Garage Replacement Project will require the purchase and installation of office furniture estimated to be \$750,000.

After considering the estimated office furniture requirements for these projects, the limited amount of remaining contract authority, and allowing for some contingency, Legal Services estimates that the amount of the PacificWRO contract must be increased by \$3,620,000. This Resolution seeks a modification of the PacificWRO contract in the amount of \$3,620,000, for a new total contract value of \$4,570,000.

7. Description of Procurement Process

Since 2013, TriMet has utilized the piggyback contract procurement process for purchase and installation of its office furniture. Because the Omnia/U.S. Communities procurement was based on a higher volume than TriMet's alone, it resulted in more favorable pricing. If TriMet had conducted an independent procurement, it is likely that a less advantageous contract would have been secured.

8. Diversity

PacificWRO's 52-person workforce is 73% female and 7.7% minority. It will not rely on subcontractors to perform any of the work under the Contract.

9. Financial/Budget Impact

Funding for this contract is included in the Real Property Division's operating budget, as well as the Powell Garage project budget.

10. Impact if Not Approved

Should the Board not approve the Resolution these goods and services can be re-procured, but doing so would delay obtaining currently needed furniture and related equipment, the scheduled move next year from Harrison Square to One Main Place, and Phase II of the Powell Garage Replacement Project. Because the original contract was obtained via a competitive public procurement process, conducting a new procurement is not likely to result in better pricing or a more qualified vendor. Staff is satisfied with PacificWRO's work under its contract to date, and strongly recommends this Modification.

RESOLUTION NO. 22-07-44

**RESOLUTION NO. 22-07-44 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A
CONTRACT MODIFICATION WITH HMI OREGON DEALERSHIP, INC. DBA
PACIFICWRO**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract modification (Modification) with HMI Oregon Dealership, Inc. DBA PacificWRO (Herman Miller) for Systems Furniture and Ancillary Furniture Support Services; and

WHEREAS, by Resolution No. 22-05-35, dated May 25, 2022, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to authorize contracts obligating TriMet to pay in excess of \$1,000,000; and

WHEREAS, the total amount of the Modification exceeds \$1,000,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Modification shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute the Modification in the amount of not more than \$3,620,000, increasing the total authorized contract amount from \$950,000 to \$4,570,000, through the December 30, 2025, contract term.

Dated: July 27, 2022

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Gregory E. Skillman

Legal Department