

T Transportation Committee

For the Metropolitan Council meeting – August 22, 2007

ADVISORY INFORMATION

Date Prepared: August 15, 2007

Authorization to Purchase Furniture and Equipment for the Central Corridor Project

Subject: Office (CCPO)

Summary of Committee Discussion:

Gary Berger reviewed costs, IT, furnishings, and savings at the Griggs-Midway Building. Then he responded to questions from the committee regarding competitive bids, number of employees, length of occupation of the site, and value to the community of having the site on Central Corridor.

Recommendation:

That the Metropolitan Council authorize the Regional Administrator to purchase furniture and equipment for the CCPO in a total amount not to exceed \$1, 690,000.

Meeting date: August 13, 2007

ADVISORY INFORMATION	
Date:	August 13, 2007
Subject:	Authorization to purchase office furniture and computer equipment for the Central Corridor Project Office (CCPO)
District(s), Member(s)	All
Policy/Legal Reference:	Council Policy 3-3 Expenditures, Federal Transit Administration (FTA) Circular 4220.1d Third Party Contracting Requirements
Staff Prepared/Presented	Brian J. Lamb, General Manager, 612-349-7510 Mark W. Fuhrmann, Deputy General Manager, 612-349-7513 Gary Berger, Administrative Manager-TSD, 612-215-8254
Division/Department:	Metro Transit

Proposed Action/Motion

The Metropolitan Council authorize the Regional Administrator to purchase office furniture and computer equipment for the Central Corridor Project Office (CCPO) in a total amount not to exceed \$1,690,000.

Issue(s)

- Purchasing must be conducted in accordance with both Metropolitan Council and FTA procurement policies and procedures.
- It is critical to have CCPO Griggs-Midway space operational as quickly as possible both to meet schedule deadlines and to minimize the time spent paying consultants the higher home agency hourly rate instead of the field hourly rate.

Overview and Funding

In accordance with Metropolitan Council approval on May 23, 2007, the Regional Administrator executed a lease agreement with Griggs-Midway Corporation to provide a physical project office for CCPO. This space will be available to CCPO on September 1, 2007. The organizational benefits of a project office include enhanced and efficient communication among staff and the community. At peak operational capacity there will be over 110 agency and consultant staff housed together at this location.

There are direct financial benefits that accrue to the project by co-locating the consultant staff at the CCPO. Consultant staff charges field rates when they work directly from a project office such as CCPO at Griggs-Midway. If they are located in their home agency office, they charge home agency rates which, due to overhead rates, are significantly higher than field rates. Having consultant staff share space with Met. Council staff will allow the project to pay field rates. By early fall there will be 61 staff at Griggs Midway of which 41 will be consultant staff at field rates, saving approximately \$82,500.00 per month in fees. The CCPO will realize a gross savings of approximately \$6,930,000 over seven years. Finally, the maximum consultant staff housed at Griggs-Midway is anticipated to be 60 during peak activity resulting in even greater savings.

Establishing a furnished and equipped office space that will allow staff to effectively and efficiently work in an intense, technological environment requires an initial investment of planning and financial resources. There are two categories of capital expenditure required to establish the CCPO office. They are:

- Furnishings/Equipment/Office Infrastructure
- IT Equipment/Infrastructure

Metropolitan Council/Metro Transit staff have assessed and plan to use existing surplus equipment and furniture and various existing contracts in order to furnish, equip, and create the infrastructure for CCPO as quickly as possible. CCPO anticipates spending an amount not-to-exceed \$540,000 to prepare the office for occupancy in September.

A similar analysis of IT needs for CCPO has been conducted by Metropolitan Council Information Technology Department. CCPO anticipates an additional amount not-to-exceed \$1,150,000 for this purpose. Also, annual IT maintenance will be \$188,068 which is an eligible FTA expense.

Funding to furnish and equip CCPO is available through FTA Funding Grant MN-03-0200, \$1,960,200, Metro Transit Project 65701.