



Expo

Exposition Metro Line
Construction Authority


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DATE: MAY 5, 2006

TO: BOARD OF DIRECTORS

FROM: RICHARD D. THORPE 
CHIEF EXECUTIVE OFFICER

**ACTION: RECEIVE AND FILE MONTHLY REPORT ON CONTRACTS
AUTHORIZED BY THE CHIEF EXECUTIVE OFFICER**

RECOMMENDATION

Receive and File this monthly report on contracts approved by the Chief Executive Officer (CEO). The State legislation that created the Exposition Metro Line Construction Authority, together with the Authority's Administrative Code, grants the CEO authority to approve contracts up to \$250,000. This report details contract awards for April 2006.

SUMMARY

The CEO has entered into contracts for a telephone switch and equipment, fiber optic and communication wiring and furniture for the 707 Wilshire building for a total amount of \$189,379.31. The office space at the 707 Wilshire building, which will house the Authority's offices as well as the design/build contractor team, is currently under construction. The estimated move-in date is May 15th. The Authority is responsible for installing telephones, wiring the office space so that it is computer ready, as well as setting up the cubicles and furniture.

DISCUSSION

1. The CEO entered into a sole source procurement with Western Digicom for the installation, termination and testing of fiber optic and communications cable on the 34th Floor of the 707 Wilshire building in the amount of \$34,415. This was a sole source procurement because Western Digicom was the only approved wiring contractor allowed by the 707 Wilshire building management. However, a fair cost estimate

was performed by Metro's estimating department, which estimated the cost at \$35,376. Thus, it was determined that the sole source contract was fair and reasonable.

2. The CEO entered into a sole source contract with Shared Technologies for a Nortel telephone switch for the 707 Wilshire building for \$89,034.31. Metro has an existing maintenance contract with Shared Technologies, which had been competitively bid. By utilizing Metro's existing contract, the Authority was able to benefit from Metro's discounted rates. An independent cost estimate was performed by Metro's engineering department, which compared the Nortel system with other telephone alternatives. The Nortel system was determined to be much less expensive over the duration of the project -- \$127,708 for the Nortel system versus \$336,870 for a Centrex system. The contract cost includes all Nortel and ancillary equipment, labor, voice mail, and monthly service charges.
3. The CEO entered into a contract for \$57,930 with Seal Furniture to perform a furniture inventory at the 707 Wilshire building, complete installation drawings, and provide all labor services associated with the disassembly, relocation and reassembly of furniture on the 34th Floor. The building manager at the 707 Wilshire building has made Steelcase Furniture available at no cost to the Authority, which substantially reduces the Authority's move-in costs.

The Authority competitively bid out the work mentioned above and received two proposals: one from Seal Furniture and the other from Tangram. The Tangram proposal was deemed non-responsive because they omitted several items from their bid which were clearly specified and they did not adequately address the scope of work. Seal Furniture's price was deemed fair and reasonable as individual cost elements were evaluated and a price analysis was performed.

Once the inventory and installation drawings are complete, a separate purchase order will be executed for any additional cubicle or conventional furniture needed for the office space, any rehabilitation of the existing furniture and for any other items associated with the furniture build-out of the space in order to meet the May 15th move-in date.

FINANCIAL IMPACT

There is available funding in the FY06 budget to cover the total cost of \$189,379.31 for these three contracts.

NEXT STEPS

The CEO will continue to provide a monthly report to the Exposition Metro Line Construction Authority Board on contracts authorized under the CEO's authority.

ATTACHMENT(S)

None