AGENDA BILL

Beaverton City Council
Beaverton, Oregon

SUBJECT: Authorize Contract Award for Management Services for the Executive Office Suites

FOR AGENDA OF: 11-13-18  BILL NO: 18251

MAYOR’S APPROVAL: 

DEPARTMENT OF ORIGIN: Finance

DATE SUBMITTED: 11-5-18

CLEARANCES: Mayor’s Office Purchasing City Attorney

PROCEEDING: CONSENT AGENDA (CONTRACT REVIEW BOARD)

EXHIBITS: Scope of Services

BUDGET IMPACT

<table>
<thead>
<tr>
<th>EXPENDITURE REQUIRED</th>
<th>AMOUNT BUDGETED</th>
<th>APPROPRIATION REQUIRED</th>
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<tbody>
<tr>
<td>$150,000</td>
<td>$277,086</td>
<td>$0</td>
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Account Number 001-13-0007 General Fund – Non-Departmental – The Beaverton Building Program. E-Suites expenses are budgeted in #510 ($227,086) and Central Desk expenses are budgeted in #511 ($50,000)

RECOMMENDED ACTION:
City Council, acting as the Contract Review Board, awards a five-year professional services contract to RLC Connections, LLC related to the management contract for the Beaverton Round Executive Suites until November 30, 2023, for an amount not to exceed $150,000, for the balance of the current fiscal year, and in a form of contract approved by the City Attorney.

HISTORICAL PERSPECTIVE:
In April 2012 the City of Beaverton acquired the operating interest in the Beaverton Round Executive Suites in conjunction with the purchase of the South Office Building. This is the business on the third floor that licenses the use of small office space and virtual office space for firms/individuals who have limited professional needs. The Beaverton Round Executive Suites (a.k.a. E-Suites) provides reception, phone, Internet, copying and related office support, supplies and services for these firms on a fee basis remitted to the City of Beaverton. The Mayor signed a contract with RLC Connections, LLC for the operation of the E-Suites that extends through August 31, 2012. The City Council then approved additional contracts that extend through October 31, 2018. The current contract is extended to November 30, 2018, to correspond with this new contract period.

In 2014 the City requested RLC Connections to also provide receptionist services for The Beaverton Building (TBB) under a separate contract. That service has proven to be quite valuable for staff, visitors and the other users of the building. In addition, the staff provides “pre-screening” services of passport customers, reducing wait times and aggravation. The Central Desk services are now rolled into the proposed E-Suites contract but the costs are allocated to a different object code for accounting purposes.

For the period July 1, 2017, to June 30, 2018, the City paid the current manager approximately $181,042 in management fees, reimbursed the manager approximately $23,874 for approved incidental expenses, directly paid vendors for approved goods and services $41,292. The City paid the current
manager $52,702 for Central Desk receptionist services. The gross income from rent and related services was approximately $609,197 for the same period.

**INFORMATION FOR CONSIDERATION:**
The City sought competitive proposals for a new contract period and received only a proposal from the current operator, RLC Connections, LLC. The solicitation was advertised in the Daily Journal of Commerce on September 28, 2018.

As noted above, RLC Connections has operated the E-Suites business since 2012 on behalf of the City. They immediately improved the office space and services and have consistently met 95-100 percent of occupancy and revenue goals over the past few years. The proposal includes several glowing recommendations from past and current tenants.

While only a single proposal was received, there is no doubt among the staff that this contract should be extended with the current operator due to the high level of satisfactory service. Ms. Rhonda Reister, owner of RLC Connections, LLC, also plays an important role in the City's economic development strategies and facilitates services in coordination with the other regional and local business incubators such as the Digital Health Cooperative, BEST HQ and the Impact Beaverton!
SECTION 1: INTRODUCTION AND BACKGROUND

1.1 Introduction
Nestled in the heart of the Tualatin Valley, midway between Mt. Hood and the Oregon coast, Beaverton is a first tier suburb in the Portland metropolitan area and is home to a population of more than 93,850. The City has a growing commercial and industrial base anchored in high tech, clothing and other innovative sectors of the economy. More information about the City is available at www.BeavertonOregon.gov.

1.2 Background
The Beaverton Executive Office Suites occupy approximately 18,000 s.f. on the third floor of a multi-tenant office building owned by the City of Beaverton and known as The Beaverton Building, 12725 SW Millikan Way, Beaverton, OR 97005. This is adjacent to the Beaverton Central MAX station. The floor plan shows 53 offices of various configurations with approximately 96% of the space is licensed to approximately 45 businesses utilizing all or most of full suite of reception, mail, phone, Internet and rental office space. In addition, there are approximately 35 virtual tenants for whom E-Suites represents their place of business. The services to be offered are described in the scope of work/services to be provided section. Please see Attachment “B”- Floor Plan. Beaverton E-Suites web site is http://beaverton-esuites.com/.

In addition, the scope of services includes providing receptionist services for The Beaverton Building on behalf of all the city services, E-Suites and other private or non-profit firms in the building at the Central Desk.

The E-Suites are managed under a personal services contract with the City of Beaverton. The contract format is enclosed as Attachment A. We encourage firms to be creative and educational in your responses. While the format must be consistent with the requirements of the RFP, if you believe that your proposed solution or services would be beneficial to the City, we invite you to offer them.

For the period July 1, 2017 to June 30, 2018, the City paid the current manager approximately $161,042 in management fees, reimbursed the manager approximately $23,874 for approved incidental expenses, directly paid vendors for approved goods and services $41,292. The City paid the current manager $52,702 for Central Desk receptionist services. The gross income from rent and related services was approximately $609,197 for the same period. Exhibit C contains additional summary financial information.

SECTION 2: SCOPE OF WORK

2.1 Scope of Work
The City is seeking proposals from service providers or firms to provide management services of the Beaverton Executive Office Suites in a city owned multiple tenant professional office building at 12725 SW Millikan Way, Beaverton Oregon.

2.2 Services to be Provided
Services to be provided include, but are not limited to the following:

a. Serve as the on-site business manager of the BEAVERTON ROUND EXECUTIVE SUITES (“Business”) located in The Beaverton Building (“TBB”), 12725 SW Millikan Way, Suite 300, Beaverton, Oregon, by planning, coordinating, directing and supervising business and support services and activities relating to the Business. TBB is also the Beaverton City Hall.

b. At Contractor’s own expense, hire such employees or retain the services of such independent contractors (collectively, “Contractor’s Personnel”) as the Contractor deems appropriate to assure the sound management and operation of the Business.

c. Staff the Business’s reception desk in Suite 300 of the Building with Contractor’s Personnel at all times the
Business is open to the public. Staff a manager's office in Suite 300 of the Building at all times the Business
is open to the public, short-term absences from the manager's office excepted. Regular hours for the
office are 8 a.m. to 5 p.m. After-hours access is via a security-controlled card.
d. Staff the TBB Central Desk on the first floor, providing receptionist services from 7:30 a.m. to 5:00 p.m.
weekdays, except holidays. Details of Central Desk Duties are outlined in Attachment "C" — Additional
Information.
e. Supervise Contractor's Personnel.
f. From Contractor's own compensation, pay the salaries or wages, taxes and withholdings of Contractor
and all of Contractor's Personnel.
g. Prepare and file all returns and other documents required under the Federal Insurance Contributions Act
and the Federal Unemployment Tax Act, or any similar federal or state legislation, and all withholding tax
returns required for Contractor's Personnel.
h. Monitor Suite 300 of the Building to ensure that it remains safe, secure, and well maintained.
i. Use reasonable efforts to procure and retain Business customers. Discuss and explain to customers the
terms of service. Negotiate and execute all service agreements for space and related business services
associated with the Business. See License form in Appendix C.
j. Sell business services to clients including administrative support, internet access, telephone services,
courier and mail services, conference room rentals and miscellaneous office supplies as needed to support
the clients’ business needs.
k. Collect all Business customer payments for goods and services, provided that nothing herein contained
shall constitute a guarantee by the Contractor or the City of payment by customers.
l. Deposit all customer payments as directed by City.
m. Investigate and settle customer complaints, disturbances and service agreement violations.
n. Recommend changes to policies or procedures to improve operations, such as changing what supplies the
Business keeps and improving how the Business handles records.
o. Purchase all equipment, tools, appliances, materials, supplies, and uniforms necessary for the
maintenance or operation of the Business, consistent with the approved budget.
p. Contract for and supervise the making of all repairs, alterations, and decorations on the third floor of the
Building. The Contractor, however, shall not contract for any repair, alteration, or decoration that costs
over $1,000 without the City's prior written approval.
q. Advertise and market the Business, including the available space and services, subject to the approval and
at the expense of the City.
r. Keep accurate records of Business activities. Maintain full books of account with correct entries of all
receipts, expenditures and security deposits of managing the Business.
s. Report to the City on the status of the Business, occupancy rates, expiration dates of service agreements,
and other matters at least monthly. Furnish monthly to the City a detailed statement of all receipts and
disbursements for each month on or before the 15th day of each month for the preceding month. Such
statement shall show the status of collections and shall be supported by, receipt records (cash check or
credit card). Records supporting expenses include canceled checks, vouchers, duplicate invoices, and
similar documentation, which shall be kept in the Contractor’s office and be available for inspection of the
City's representatives at all times. The Contractor shall also furnish a monthly operating statement
showing the income and expense for the month and year to date and for the same month of the preceding
year.
t. Provide revenue (cash, checks and credit card receipts) promptly and regularly for deposit by City along
with records of the transaction. Provide approved invoices for payment by City promptly and regularly.
u. Plan budgets for contracts, equipment and supplies.
v. At least semiannually, prepare and submit to the City a tentative budget of expenses.
w. At least annually, prepare and submit to the City the following schedules:
   • Forecast of occupancy, fees and service changes;
   • Review of service agreement negotiation;
   • Analysis of service agreements.
The forecast of occupancy, fees and service changes, when approved in writing by the City, shall form the basis on which services shall be negotiated. Such forecast shall not constitute a fixed requirement, but rather to form a basis for Contractor’s negotiation of service agreements. Such forecast shall remain in effect until the City has approved a revised schedule. The budget of expenses submitted by the Contractor, when approved by the City, shall in general form the basis on which the Contractor shall incur items of expense for the operation of the Business and the procuring of tenants for the Business.

2.3 Schedule of Work
The City expects the proposer selected for award of contract to start work upon receiving a notice to proceed from City after the contract is signed. Please refer to Attachment A for the City’s standard form of contract. Note insurance requirements set forth in Sections 17 and 18 of the contract. Note that a proposer taking exception to any of the contract terms or conditions must submit a request for a change of the standard terms and conditions with the proposal.

2.3 Procurement Timeline
The City reserves the right to modify this schedule at the City’s discretion. Proper notification of changes will be made to all interested parties.

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<th>Event</th>
<th>Completion Date &amp; Time</th>
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<tbody>
<tr>
<td>Advertisement and Release of Proposals</td>
<td>September 28, 2018</td>
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<tr>
<td>Deadline for RFP Protests or Requests for Changes</td>
<td>October 11, 2018</td>
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<tr>
<td>Deadline for Submission of Proposals</td>
<td>October 19 2018 @ 2:00 p.m.</td>
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<td>Interviews (if necessary)</td>
<td>October 29, 2018</td>
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<tr>
<td>Award of Contract by Contract Review Board</td>
<td>November 13, 2018</td>
</tr>
<tr>
<td>Commencement of Services</td>
<td>December 1, 2018</td>
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2.4 Pre-Qualification of Proposers
Pre-qualification of Proposers is not required for this procurement.

2.5 Pre-Proposal Conference
No pre-proposal conference will be held in connection with this procurement. Questions regarding this RFP shall be directed to Terry Muralt, Purchasing Agent, at 503-526-2229 or tmuralt@beavertonoregon.gov. See Item 3.3 of this RFP, below, for further information regarding how Proposers may ask questions, seek clarifications and request changes to this RFP.

2.6 Single Point of Contact
All questions or requests regarding the procurement process shall be directed to Terry Muralt, Beaverton Purchasing Agent, at (503) 526-2229 or tmuralt@beavertonoregon.gov. The RFP document may be reviewed upon request at The Beaverton Building, City Hall, 12725 SW Millikan Way, Beaverton, Oregon 97005.

SECTION 3: PROPOSER’S SPECIAL INSTRUCTIONS

3.1 Procurement Method
The City is conducting this RFP pursuant to ORS 279A.050 and Beaverton Purchasing Code Section 46-0100. The City seeks proposals that will enable the City to determine which service provider and solution will best meet the City’s needs. The City expects this RFP will result in a single contract with a single vendor for the preferred solution.