



# City of San Antonio

## Agenda Memorandum

**File Number:** 16-5277

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**Agenda Item Number:** 6.

**Agenda Date:** 11/3/2016

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Annual Contracts for Office Furniture

**SUMMARY:**

This ordinance authorizes acceptance of contracts with Gateway Printing & Office Supply, Inc., OfficeSource, Ltd., Staples Contract & Commercial, Inc., Texas Wilson Office Furniture & Services, and Workplace Resource, LLC, to provide the City with the purchase, delivery and installation of systems furniture, freestanding furniture, seating, filing systems and related design and support services on an as needed basis for an estimated annual cost of \$1,650,000.00. Funding for this contract is available through the FY 2017 Operating Budget.

**BACKGROUND INFORMATION:**

The City issued a Request for Competitive Sealed Proposals (RFCSP) for the purchase, delivery and installation of office furniture for City departments. Historically, furniture has been solicited through an Invitation for Bid with the contract award based solely on price. However, the RFCSP solicitation method allows the City to consider factors other price when making an award recommendation. In addition to price, the evaluation committee was able to base their recommendation on the respondents' experience, quality of services provided, delivery, price and financial stability. In addition, this solicitation method allowed application of the SBE Prime Contract Program tool to encourage small business participation.

Furniture purchased from the resultant contract will be used to replace existing furniture or to furnish new or existing office spaces. The City has previously made extensive investments from the following furniture lines: Allsteel, Global, HON, Mayline, National and Steelcase. These primary lines of furniture were identified in the solicitation due to the need to match existing furniture in the City's inventory. However, the following alternate furniture lines were proposed during the solicitation process: Teknion, Kimball and Herman Miller.

The City engaged the services of a third party with expertise in furniture to provide assistance in the review of the alternate furniture lines. Based on feedback provided, the determination was made that the proposed alternate lines were not direct replacements for existing furniture lines. However, these lines were determined suitable when they would not be required to match existing furnishings. As a result, the decision was made to establish agreements with these respondents utilizing existing cooperative contracts. These respondents were able to offer the same discounts proposed to the City through the RFCSP solicitation process.

A. Submitted for Council consideration and action are proposals submitted for primary furniture lines by Gateway Printing & Office Supply, Inc. for HON office furniture, Staples Contract & Commercial, Inc. for Allsteel office furniture, Texas Wilson Office Furniture & Services for Global, Mayline and Steelcase office furniture, and Workplace Resource, LLC for National office furniture for various City departments on an as-needed basis. The primary manufacturer lines of office furniture for Allsteel, Global, HON, Mayline, National and Steelcase are recommended for award through the Request for Competitive Sealed Proposal procurement process.

The City issued a Request for Competitive Sealed Proposals for "Annual Contract for Office Furniture" (RFCSP 6100006733) on December 2, 2015, with a submission deadline of January 20, 2016. Eight proposals were received; six proposals for the primary lines for office furniture, and 2 proposals for alternative brand lines for office furniture. Gateway Printing & Office Supply, Inc., Staples Contract & Commercial, Inc., Texas Wilson Office Furniture & Services, and Workplace Resource, LLC, were selected based on the City's standard RFCSP evaluation process.

The evaluation committee consisted of representatives from Transportation & Capital Improvements, Finance, San Antonio Public Library and Human Services Department. The Finance Department, Purchasing Division, facilitated by ensuring compliance with City procurement policies and procedures. The proposals were evaluated based on the firm's qualifications, experience, service quality, previous performance, proposed plan and price schedule. Additional categories of consideration included references and financial qualifications.

The evaluation of each proposal response was based on a total of 100 points; 30 points allotted for experience, background, qualifications; 30 points allotted for proposed plan; and 25 points allotted for respondent's price schedule. Fifteen preference points were allotted for the Small Business Economic Development Advocacy Program, SBE Prime Contractor Program Affirmative Procurement Initiative.

The evaluation committee met on August 31, 2016 to evaluate the six proposals for the primary office furniture lines. After committee review and discussion, individual technical scores were submitted and presented. After scores were finalized by the selection committee, the pricing scores and the SBEDA scores were revealed. Gateway Printing & Office Supply, Inc. for HON office furniture, Staples Contract & Commercial, Inc. for Allsteel office furniture, Texas Wilson Office Furniture & Services for Global, Mayline and Steelcase office furniture, and Workplace Resource, LLC for National office furniture are recommended for award by the evaluation committee.

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small,

minority, and women-owned business participation on the contract. The Goal Setting Committee applied the Small Business Enterprise (SBE) Prime Contract Program to this solicitation and awarded fifteen (15) evaluation preference points to Texas Wilson Office Furniture & Services, as they are certified SBE and located within the San Antonio Metropolitan Statistical Area.

The initial term of the agreement shall be upon Council award through March 31, 2019. Two additional one-year renewals at the City's option shall also be authorized by this ordinance.

B. Submitted for Council consideration and action are proposals for alternative office furniture lines recommended for award utilizing Cooperative Purchasing agreements; OfficeSource, Ltd. for Teknion office furniture utilizing TXMAS-3-7110570 and Workplace Resource, LLC. for Herman Miller office furniture utilizing the U.S. Communities Contract No. 4400003403 and Kimball office furniture utilizing the National IPA Contract No. P15-150-DT.

This contract for the purchase of Teknion office furniture is made in accordance with the State Cooperative program passed on resolution no. 91-39-53 dated 9/12/1991.

This contract for the purchase of Herman Miller office furniture is made in accordance with the US Communities Cooperative Program passed on Ordinance 98797, dated 2/12/2004.

This contract for the purchase of Kimball office furniture is made in accordance with the National Intergovernmental Purchasing Alliance Cooperative Program authorized by Ordinance 2013-06-13-0414.

The initial term of the agreements shall be upon Council award through March 31, 2019. Two additional one-year renewals at the City's option shall also be authorized by this ordinance based on the terms of the cooperative purchasing contracts.

## **ISSUE:**

These contracts will provide the City with the purchase, delivery and installation of systems furniture, freestanding furniture, seating, filing systems and related design and support services such as office space reconfiguration on an as needed basis. These contracts will allow departments to benefit from the discount pricing offered, ranging from 43% to 69% off the manufacturer's published list prices.

There is a lifetime warranty, excluding normal wear and tear for Allsteel, HON, Kimball, Mayline, National, Steelcase and Teknion office furniture.

Global office furniture has a lifetime warranty, excluding normal wear and tear except for chairs which have 5 year warranty on textiles and 12 year warranty on control mechanisms.

Herman Miller office furniture has a 12 year warranty and excludes normal wear and tear.

This contract is within the scope of the SBEDA Program. However, due to lack of available firms and/or subcontracting opportunities, the Goal Setting Committee was unable to apply a SBEDA tool to this contract.

These contracts are an exception to the Local Preference Program.

The Veteran-Owned Small Business Program does not apply to goods/supplies contracts, so no preference was applied to this contract.

**ALTERNATIVES:**

Should these contracts not be approved, City departments would be required to procure office furniture on an as-needed basis. Departments would not realize fixed discount pricing and other cost savings such as design and support services associated with having a term contract in place. In addition, lack of a contract could increase the time to procure furniture and lengthen delivery times.

**FISCAL IMPACT:**

A. This ordinance authorizes contracts with Gateway Printing & Office Supply, Inc., for HON office furniture, Staples Contract & Commercial, Inc., for Allsteel office furniture, Texas Wilson Office Furniture & Services for Global, Mayline and Steelcase office furniture, and Workplace Resource, LLC for National office furniture. These contracts are available for city-wide use on an as needed basis. Funds are not encumbered by this ordinance. The total estimated amount of these contracts is \$1,500,000.00 annually.

B. This ordinance authorizes cooperative contracts for OfficeSource, Ltd. for the alternative line of Teknion office furniture and Workplace Resource, LLC for Kimball office furniture and Herman Miller office furniture. These contracts are available for city-wide use on an as needed basis. Funds are not encumbered by this ordinance. The total estimated amount of these cooperative contracts is \$150,000.00 annually.

**RECOMMENDATION:**

A. Staff recommends the approval of the contracts with Gateway Printing & Office Supply, Inc. for HON furniture, Staples Contract & Commercial, Inc. for Allsteel furniture, Texas Wilson Office Furniture & Services for Global, Mayline and Steelcase furniture and Workplace Resource, LLC for National furniture for the estimated annual cost of \$1,500,000.00. These contracts were procured by means of Request for Competitive Sealed Proposal and Contract Disclosure Forms are required.

B. Staff also recommends the approval of the contracts with OfficeSource, Ltd. for Teknion office furniture and Workplace Resource, LLC for Kimball and Herman Miller office furniture for the estimated annual cost of \$150,000.00. These contracts were procured by means of cooperative purchasing and a Contracts Disclosure Form is not required.