



TO: Board of Contracts and Awards
FROM: Patsy Best, Procurement and Payables Division Manager, Finance Department
Andrew Cherullo, Director, Finance Department
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
Kimberly Ward Finance/Purchasing
SUBJECT: Citywide Contract for Herman Miller Furniture and Related Services
US Communities RFP Specification No. 2000000330, Contract No. 4400003403, SAP
Contract no. 4600010808, September 19, 2017
DATE: 8/16/2017

SUMMARY:

The Finance Department, Procurement and Payables Division requests approval to increase Contract No. 4600010808 to Business Interiors Northwest, Tacoma, WA, in the amount of \$2,200,000 plus applicable sales tax for the as needed purchase of Herman Miller furniture and related services. This will bring the contract to a cumulative total of \$4,200,000, plus applicable sales tax.

STRATEGIC POLICY PRIORITY:

By creating a citywide contract for furniture, we are able to take advantage of the volume discount of the US Communities National Contract. This discount supports the Strategic Policy Priority of:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

This contract was originally executed in June of 2015 for \$2,000,000 for citywide use. Based on spend to date, an increase of funds is necessary. The increase of funds will ensure contract usability until its expiration date of May 31, 2020.

ISSUE: This contract provides for the as needed purchase of furniture and related services to all city department and divisions as authorized in individual department budgets. The current contract is valid through May 31, 2020, but will run out of funds prior to the expiration date.

ALTERNATIVES: The alternative course of action would be to not increase the contract and approach each supply as an individual purchase. This would result in a significant cost increase due to not utilizing the national discount. To issue our own competitive solicitation would not get the City the volume discounted rates we are currently receiving because the current contract has nation-wide use.

COMPETITIVE SOLICITATION: This contract was originally awarded to Business Interiors Northwest as a result of a Cooperative Agreement with U.S. Communities Contract No. 4400003403 resulting from the RFP No. 2000000330 completed in July 2012. U.S. Communities Contract No.4400003403 was a competitively solicited contract valid until December 31, 2016 with options of four (4) one (1) year extensions and includes the Herman Miller furniture and related services. The County of Fairfax, Virginia, was the lead agency issuing the solicitation on behalf of U.S. Communities Government Purchasing Alliance. Sixteen submittals were received on July 26, 2012. This contract meets Tacoma's competitive solicitation requirements by means of an interlocal cooperative purchasing agreement with U.S. Communities Government Purchasing Alliance. The contract language allows City of Tacoma to incorporate its own standard terms and conditions, including payment by procurement card. The contract offers discount tiers for volume purchases, various delivery options, best price guarantee, no minimum



purchase requirement, an extensive sustainable furniture portfolio and no cost to use the contract. Business Interiors Northwest is the exclusive Herman Miller authorized distributor in our area.

CONTRACT HISTORY: This contract was originally executed in June 2015 for \$2,000,000 for citywide use. This will be the first amendment to the contract.

SUSTAINABILITY: Herman Miller has been recognized for its commitment to best-in-class economic, environmental, and societal sustainability, by earning a spot on the prestigious Dow Jones Sustainability Index (DJSI) for the twelfth consecutive year. Herman Miller earned an industry best score in the DJSI categories of environmental policy/management system, occupational health and safety, and corporate citizenship and philanthropy. The company also received top rankings in human capital development, supply chain management, risk and crisis management, and customer relationship management.

RECOMMENDATION: The Finance Department, Procurement and Payables Division recommends approval to increase Contract No. 4600010808 to Business Interiors Northwest, Tacoma, WA, in the amount of \$2,200,000 plus applicable sales tax for the as needed purchase of Herman Miller furniture and related services. This will bring the contract to a cumulative total of \$4,200,000, plus applicable sales tax.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various Dept. Funds			\$2,200,000
TOTAL			

* General Fund: Include Department

REVENUES: N/A

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			



POTENTIAL POSITION IMPACT: N/A

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$735,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

**FINANCE PURCHASING
SEP 5 2017 12:57:18**