

SMCCD BOARD APPROVAL OF ACADEMIC FURNITURE PURCHASING AGREEMENTS

San Mateo County Community College District

September 24, 2003

BOARD REPORT NO. 03-9-107B

TO: Members of the Board of Trustees
FROM: Ron Galatolo, Chancellor-Superintendent
PREPARED BY: Rick Bennett, Director of General Services, 358-6752

APPROVED
BOARD OF TRUSTEES

RON GALATOLO
DATE SEP 24 2003

MULTIPLE CONTRACT AWARDS FOR ACADEMIC FURNITURE

In recent years, the District has availed itself of opportunities to improve its efficiency in the conduct of business and simultaneously effect cost-savings, particularly in volume purchases, for various sized projects. An area of volume purchasing demand has been academic furniture. Since there has been only a small number of classroom upgrades in the last three years, the District "piggybacked" on existing furniture contracts for its purchasing requirements. However, with the gathering momentum of the Capital Improvement Program, including expanded renovations and new buildings, the District realizes that as much as \$15 million may be spent for furniture acquisition during the next 5-7 years. Recognizing the ongoing need to provide academic furniture that is reasonably priced, reliable in quality and performance, and suitable for a modern and ergonomically safe educational environment, the District sought to expand its opportunities to meet its furniture requirements. The need for a Districtwide furniture standard became apparent. In partnership with the Chancellor's Council and the Facilities department, the General Services department initiated formation of a Districtwide furniture committee and also retained the services of Dovetail Decision Consultants to assist in development of performance and service specifications for a Request for Proposal (RFP).

The furniture committee is a broad coalition of all District constituencies, including faculty, students, Swinerton Management employees, ITS, Media Services, Facilities employees, and Administrators. In a three-step process, an application-specific furniture survey was released to the entire college community in May 2003. The survey provided a forum for everyone to provide their experiences and opinions regarding academic furniture. Specific questions were presented and respondents were asked to rank their top five furniture criteria. More than 120 survey responses were received.

The survey responses and rankings allowed the General Services Department to generate a meaningful furniture RFP. A number of factors were considered. For example, when addressing durability, it was noted that current District classroom furniture has been on site for as long as thirty years. The assumption is that new furniture may not be replaced for twenty or thirty years and, therefore, will need to withstand the District's sixteen-hour, six-day per week educational environment. Additionally, ergonomics, quality, flexibility and ease of maintenance were cited by survey respondents as essential criteria for selection. These requirements, among others, were incorporated into the RFP.

To expand purchasing power and capability, the District partnered with the Foundation for California Community Colleges (FCCC) to fully develop and finalize the RFP. California Community Colleges, as a system, can maximize economic strength in the purchase of furniture by pooling dollars when negotiating with prospective vendors. The pooling mechanism is a public, competitive bid process completed by a Lead Public Agency (in this case, the San Mateo County Community College District) and subsequently "piggybacked" upon by other colleges and districts pursuant to Public Contract Code §20652. The selected vendor is asked to respond to needs system-wide. There are no guaranteed purchases required of the Lead Public Agency or any other participating college and district. Further, colleges and districts continue to be free to purchase furniture using their own standard process or any other process.

On June 25, 2003, the District released an RFP to approximately forty furniture manufacturers. The RFP was advertised for two consecutive weeks, as legally required. Fifteen (15) responses were received. Based upon the results of a detailed scoring mechanism and considering the total cost of ownership as well as best value to the District, the following three (3)

ENTIRE BOARD REPORT DOCUMENT

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The coalition with the FCCC resulted in deeper discounts and made it possible for the District to seek highly aggressive service and performance specifications. For example, the District requested and obtained as inclusive in pricing items which commonly are invoiced as extra charges, such as the following:

- specification development, space planning and installation drawing services
- shipping and delivery
- installation
- coordination assistance for disposal of old furniture

Also, the District, in its role as Lead Public Agency for the RFP, will receive a 2% rebate which normally would be paid to the FCCC as part of the purchasing contract.

Finally, recognizing that the economic situation for many students is worsening during the current State budget difficulties, the District negotiated scholarship funding from each vendor based on furniture purchases. For every \$100,000 of furniture purchased for each College from any of the three vendors, a \$1,000 scholarship will be awarded and administered through the San Mateo County Community Colleges Foundation.

To summarize, the District and the FCCC have identified, through a public bid process, three vendors qualified to provide furniture to the District (as the Lead Public Agency) and other public agencies (as piggybacks), pursuant to Public Contract Code.

Beginning October 1, the District furniture committee will host three furniture fairs at each campus. At each event, fifteen different product types, ranging from student desks, tables and chairs to computer work surfaces will be demonstrated for a 3-4 day period. To provide an equal advantage to all vendors during the fairs, only samples with specific sizes, color and finishes will be allowed. Detailed surveys are being created for each furniture type and responses to the surveys will aid in determining which academic furniture product will perform best for the District.

At this time, the District seeks Board acceptance of the proposals submitted by the three identified furniture vendors and approval to proceed with plans, following completion of the detailed furniture product analysis, to develop a contract with the FCCC that will establish the District as the Lead Public Agency for academic furniture contracts with Falcon Industries, Interior Concepts and Kruger International (KI) and that will permit other public agencies to piggyback on the District's furniture contracts with these three vendors. The discount ranges for each company, based on volume and product type purchased, are shown the table below. The contract award period will expire September 30, 2008.

<u>Vendor</u>	<u>Discount</u>
Falcon Industries	51% - 55%
Interior Concepts	50% - 60%
Kruger International (KI)	43% - 55%

RECOMMENDATION

It is recommended that the Board of Trustees award contracts to Falcon Industries, Interior Concepts and Kruger International for provision of academic application furniture and, further, it is recommended that the Board authorize development of an Administrative Agreement with the Foundation for California Community Colleges, such that, collectively, the contracts will result in establishment of the District as a Lead Public Agency for purchase of academic application furniture.