



Board Agenda Item 41

DATE: August 9, 2022

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director of Internal Services/Chief Information Officer

SUBJECT: Agreement with Core Business Interiors

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute an Agreement with Core Business Interiors for purchase and installation of Haworth modular furniture systems at County facilities, effective August 22, 2022, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$25,000,000.

There is no increase in Net County Cost associated with the recommended action. Approval of the recommended action will authorize Core Business Interiors (Core) to continue to provide Haworth manufactured modular furniture systems and associated installation services. The recommended agreement utilizes rates negotiated by OMNIA Partners, a cooperative purchasing program, Request for Proposal (RFP) #269-2019-105: Furniture, Installation, and Related Services, conducted by the City of Charlotte, North Carolina, pursuant to the Purchasing Manager's authority, in compliance with the County Purchasing Manual. The recommended agreement provides guaranteed discounts on the manufacturer's (Haworth) catalog prices for individual items. Most of the individual item prices in Haworth's catalog are not set in the recommended agreement, and may escalate over the term of the recommended Agreement, although the Core discount on individual items will remain the same. Additionally, the recommended agreement will supersede Procurement Agreement P-20-183 for freestanding furniture and ergonomic products, which would otherwise expire on June 30, 2025. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may choose not to approve the recommended action; however, four departments have fully standardized to Haworth modular furniture and five other departments have a significant portion of their modular furniture through Haworth. Ongoing purchases to support departments would still need to be made through Core without the significant discounts available through the recommended agreement, which, in the Department's opinion, represents the best pricing on Haworth products available to the County.

Your Board may choose to issue a Request for Quotation instead of utilizing the OMNIA Partners contract buying group pricing. Your Board may also choose to enter into the recommended agreement for a shorter term, such as three years, in the event that your Board believes that the County may obtain a more favorable price in three years, or in the event that your Board would rather issue a Request for Quotation at the end of the three-year term.

FISCAL IMPACT:

There is no additional Net County Cost associated with the recommended action. The maximum compensation is \$25,000,000 for the term. The total contract amount is an estimate based upon the total

spent with Core over the past five-year period, taking into account that there was a significantly higher than usual number of new County buildings occupied during the past five years. Sufficient appropriations and estimated revenues are budgeted by user departments in the FY 2022-23 Recommended Budget and included on an annual basis in the departments' budget requests.

DISCUSSION:

The County's Purchasing Manual provides that contract buying groups are considered to take the place of competition if, in ISD - Purchasing 's opinion, it is in the best interest of the County.

The recommended agreement utilizes rates negotiated by OMNIA Partner City of Charlotte, North Carolina (City) on January 1, 2020, in Contract #2020000606 response to RFP #269-2019-105. This RFP was sent directly to 149 vendors and released on the City's public portal for open solicitation. Three vendors responded and the bids were evaluated by a panel of City staff. The evaluations were based upon the vendors' written proposals, overall pricing for goods and services, and an oral interview conducted by the panel. Haworth was selected as a vendor. Core is Haworth's authorized dealer for Fresno County. Core is offering the County the same pricing rates as provided in the OMNIA Partners agreement for the recommended agreement, with the addition of holding additional discounts negotiated in the County's current Purchasing agreement P-20-183 through April 2023.

The County utilizes Haworth modular furniture in many locations, including four departments that have fully standardized to Haworth furniture for all their locations. Five additional departments have a significant amount of Haworth furniture. As there is a significant amount of Haworth furniture in use within the County, an agreement for replacements, moves, and other services with Core will be necessary. The Department believes that re-bidding this agreement is unlikely to improve the discounts that will be available from Core, and any advantage the County would gain adding other vendors would be more than offset by additional administrative costs related to those agreements.

Core is the County's current vendor for freestanding furniture and ergonomic products through two separate agreements. The County entered into Board Agreement 17-446 in August 2017 based upon Core's response to County's competitive bid to Request for Quotation (RFQ) No. 17-065, which solicited bids from qualified vendors to provide modular furniture systems and installation services. Agreement 17-065 expires on August 21, 2022. Procurement Agreement P-20-183 was based upon Core's response to the County's RFQ # 20-046 for freestanding furniture and ergonomic products.

Core is willing to extend the pricing from the agreement P-20-183 through April 2023, which is equal to or better than the discounts in the OMNIA Partners agreement utilized for this recommended agreement. After April 2023, these discounts would default to those described in the OMNIA Partners agreement. The total cost of the recommended agreement is based upon the historical spend on Haworth modular furniture, obtained through Core, over the past five years.

The recommended agreement for modular furniture will incorporate Procurement Agreement P-20-046, thereby simplifying County processes and lowering administrative costs while maintaining the negotiated pricing.

REFERENCE MATERIAL:

Purchasing Agreement P-20-183

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with Core Business Interiors

CAO ANALYST:

Sonia M. De La Rosa