



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: November 13, 2006

Approved

Date

11/13/06

COUNCIL DISTRICT: Citywide

SUBJECT: COOPERATIVE PURCHASE OF MODULAR FURNITURE WITH PIVOT INTERIORS

RECOMMENDATION

Approve the award for purchase of Herman Miller modular furniture from the authorized dealer, Pivot Interiors, San Jose, CA, for a total cost of \$222,612.37 including tax and delivery and authorizing the Director of Finance to execute the purchase order.

OUTCOME

With the purchase of modular furniture, the Office of Economic Development will have sufficient furniture to completely furnish their new facility.

BACKGROUND

The Office of Economic Development (OED) work2future division requested a Sole Source/Brand Name Procurement for the purchase of Herman Miller Action Office (AO) modular furniture. Herman Miller AO furniture is the current brand used within all OED offices outside of City Hall. OED moved all personnel from its King and Story facility (28,000 square feet) to a newly renovated 66,000 square feet facility located on Parkmoor Avenue in San Jose. All existing Herman Miller AO modular furniture was moved to the new facility. Additional modular systems furniture is needed to furnish the additional space and to reconfigure some existing space to fit the new office space dimensions. No other manufacturer's product is compatible or interchangeable with this product.

Prior to the move to City Hall the City of San Jose was standardized on Herman Miller modular furniture. OED's existing furniture was previously purchased through Pivot Interiors.

ANALYSIS

On February 7, 2003, the County of Santa Clara entered into an agreement with Herman Miller. The County's contract provides that the pricing is also available to other local governments and municipalities. The Finance/Purchasing staff reviewed the contract pricing between Herman Miller and the County of Santa Clara and compared it to other agencies including the U.S. Communities Cooperative Furniture Agreement with Herman Miller. In addition, staff confirmed that Pivot Interiors is the only Herman Miller authorized dealer in this geographical area capable of providing the City with product and installation services for a furniture project of this capacity. Staff has determined this product is cost competitive and most advantageous to the City.

Pursuant to Subsection 4.12.140.A.2.c of the Municipal Code, the City has the authority to make "direct purchases from vendors on terms obtained pursuant to the formal bidding processes which name the City of San Jose either specifically or categorically as a third party beneficiary of the bidding process." Further, the Director of Finance determined that pursuant to San José Municipal Code section 4.12.149.B.2, the purchase of Herman Miller modular furniture is justified to ensure maximum and efficient use as well as interoperability with existing furniture between the City's OED offices. The City's Chief Purchasing Officer approved this brand name purchase for OED effective August 31, 2006.

Staff recommends an award of purchase to Pivot Interiors, for an amount of \$222,612.37 including tax and delivery.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST



Criteria 1: Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**



Criteria 2: Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**



Criteria 3: Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

While this agreement does not meet any of the above criteria, this memorandum is posted on the City’s website for the December 5, 2006 Council Agenda.

COORDINATION

This memorandum has been coordinated with the offices of the City Manager’s Budget, City Attorney and Economic Development.

FISCAL/POLICY ALIGNMENT

This action is consistent with the following General Budget Principles “We must focus on protecting our vital core city services for both the short- and long-term.”

COST SUMMARY/IMPLICATIONS

Not applicable.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2006-2007 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
291	2505	Adult Workers	\$5,115,648	\$74,204.13	XI-84	N/A
291	2530	Dislocated Workers	\$6,376,473	\$74,204,12	XI-84	N/A
291	2364	Youth Workers	\$4,433,398	\$74,204,12	XI-84	N/A
Total Amount of Funding Available			\$15,925,519	\$222,612.37		

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CEQA

Not a project.


SCOTT P. JOHNSON
Director, Finance

For questions please contact Walter C. Rossmann, Chief Purchasing Officer at (408) 535-7051.

