



Office of the City Manager

CONSENT CALENDAR  
October 23, 2007

To: Honorable Mayor and Members of the City Council

From: *PK* Phil Kamlarz, City Manager

Submitted by: Robert Hicks, Finance Director

Subject: Purchase Orders: FY08 - Interior Motions

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute purchase orders in FY08 with Interior Motions, a supplier of furniture, in an amount not to exceed \$250,000.

FISCAL IMPACTS OF RECOMMENDATION

Departments have budgeted amounts for new furniture and replacement furniture, and they are operating within budget. Most furniture the City buys is on a US Communities Contract, or an informal competitive bid has been obtained thus ensuring the City is receiving the best pricing available. US Communities is a purchasing alliance formed by local and state governments and thus purchases through this alliance complies with the bidding requirements of Charter section 67.2.

CURRENT SITUATION AND ITS EFFECTS

The City's standard office furniture is Herman Miller, so only authorized Herman Miller re-sellers are contacted to provide quotes for the furniture. Both local Herman Miller furniture dealers offer the City US Communities contract pricing, but delivery, installation, and/or set up charges vary by dealer. Interior Motion is being awarded most of the City's bids because its shipping and handling fees are lower than those of competing bids, and we expect that trend to continue. The City has been satisfied with the customer service that Interior Motions provides. Response time from Interior Motions is very quick for delivery and warranty repairs since it is located in Emeryville.

BACKGROUND

Various City departments order furniture as needed throughout the year. Several years ago, the City chose to standardize to Herman Miller office furniture. Herman Miller has been awarded a US Communities contract through the competitive process. Interior Motions is an authorized dealer of Herman Miller products and passes down US Communities contract pricing to the City of Berkeley, which satisfies Section 67 of the Charter. In addition to purchasing Herman Miller work stations (paneling and filing cabinets) the City also standardized to the ergonomic Aeron chair, also manufactured by Herman Miller.

In FY08 several purchases between \$5,000 and \$18,000 have been made from Interior Motions through the informal bid process. Because there is no centralized mechanism to bid all furniture requirements for a full year at one time, the competitive bids are done on an as-needed basis. General Services division requires informal competitive quotes on purchases between \$5,000 and \$25,000 and formal bids for any order over \$25,000. Departments submit a purchase requisition to General Services and bids are sought for these purchases. All individual purchase requisitions to date have been under \$25,000, and all have been awarded to the lowest bidder.

Finance – General Services conducts spot checks via the FUNDS\$ system to verify expenditures made with a specific vendor year to date. Year to date we have encumbered \$78,993 including taxes for the vendor Interior Motions. They have filled out all City required documents including Nuclear Free, Oppressive States, Workforce Composition, Living Wage, and Equal Benefits, Insurance, a current Berkeley Business License, and are in compliance with City requirements.

RATIONALE FOR RECOMMENDATION

The City has procured furniture from Interior Motions using US Communities contract pricing, or through obtaining competitive bids for purchases. Finance – General Services has done its due diligence in testing the market by ensuring competitive bidding. Interior Motions has been awarded the procurements because their prices are consistently lower than the other local authorized Herman Miller vendor.

ALTERNATIVE ACTIONS CONSIDERED

No alternatives have been considered. Competition has been obtained

CONTACT PERSON

Sharon Thygesen, General Services Manager, Finance, (510) 981-7329

Attachments:  
Resolution

RESOLUTION NO. ##,###-N.S.

FY08 PURCHASE ORDERS WITH INTERIOR MOTIONS

WHEREAS, Various City departments have requested procurement of office furniture; and

WHEREAS, the City's standard office furniture is manufactured by Herman Miller furniture; and

WHEREAS, Herman Miller is part of US Communities, a purchasing alliance formed by local and state governments that have obtained the lowest prices based on competitive solicitations; and

WHEREAS, purchasing through US Communities is authorized by Charter Section 67.2; and

WHEREAS, Interior Motions is a local (Emeryville) vendor, and an authorized Herman Miller dealer/reseller, and has consistently offered the lowest price based on US Communities contract; and

WHEREAS, various City departments need to purchase office furniture for new offices, and replacements for end of life furniture.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute purchase orders for FY08 with Interior Motions not to exceed \$250,000 for the period from July 1, 2007 through June 30, 2008.

