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## State releases request for proposals for much anticipated office furniture contract

Dealer-manufacturer teams work on bids for job estimated at \$30M

Sacramento Business Journal - by [Kelly Johnson](#) Staff writer

Local office furniture dealers this week got their first look at a rare contract to supply the state of California and local governments with furniture systems. The contract is worth an estimated \$30 million or more over four years.

The state **Department of General Services** released Monday its request for proposals -- a document with almost 200 pages of requirements and explanation, also called an RFP -- that will leave furniture dealers cramming to craft their bids by the June 16 deadline.

Dealers have long awaited this RFP, which represents the biggest office furniture prize available in the region. Since the last five-year contract of \$29.3 million expired in February 2006, the state has twice solicited proposals but pulled the plug over administrative issues or vendors failing to meet technical requirements.

The contract, through which state and local government and special districts can buy their furniture, would nicely boost business in "these uncertain economic times," said Therese Kingsbury, president and chief executive officer of **Miles Treaster & Associates** in West Sacramento.

Still, reduced tax revenue and a state budget deficit projected at \$16 billion could hold down spending under the contract.

The contract for materials and assembly could be awarded to one supplier or to multiple companies, said Eric Lamoureux, spokesman with the Department of General Services.

The state anticipates it will receive bids from at least four major furniture manufacturers and their dealers: **Herman Miller** with dealer Miles Treaster; **Allsteel** with **Keller Group Inc.** in Sacramento; **Steelcase** with **United Corporate Furnishings Inc.** in Sacramento; and **Haworth** with **Western Contract** in Rancho Cordova.

Landing the contract won't be easy for any dealer, though.

"It's highly complex," said Paul Keller, president of Keller Group, the dealer that held the previous state contract.

The dealer-manufacturer teams must understand the costs of working all over the state and must be able to deliver within a few weeks, Keller said. They also have to buy the state's computer software to be used by designers.

"You have to squeeze all of the fat out of the pricing," he said.

Then there are the stringent environmental requirements.

"This is the strictest of any known government (furniture) contract in the United States," Keller said. "This raises the bar" with tougher environmental rules than Keller had to meet under the old contract.

In the bid that got yanked when none of the bidders fully complied, the state wanted task lighting for overhead storage units that was so new to the industry that none of the bidders even made the product yet, Kingsbury said. Yet certain categories within the bid didn't require recycled content, although Kingsbury thought they should have.

"The industry's evolving in that whole (environmental) arena," she said.

The new RFP should have nationwide influence in driving "the industry to greener pastures," Keller said. "I kind of applaud them on that front."

During the two years the state has been without an office furniture contract, state offices and local governments had to first consider the Prison Industry Authority, a self-supporting inmate work program run by the state that employs almost 6,000 state prisoners. If it didn't offer the product, the buyer had to get a waiver before pursuing another vendor from the state's list or soliciting a competitive offer from another company. Even with a state contract in effect, buyers first must see if Prison Industry Authority can provide what they need.

Local dealers are eagerly awaiting the contract award. The state will announce its intended supplier in mid-July. After unsuccessful bidders have a chance to protest, the state will disclose its final decision July 21.

After bidding twice before in those canceled requests for proposals, Kingsbury is ready for resolution.

"Let's hope (the) third time's a charm."

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