

## EXECUTIVE SUMMARY

### Recommendation for Renewal and Additional Spending Authority 17-009V - School and Department Furniture

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#### Introduction

##### Responsible: Procurement & Warehousing Services (PWS)

This request is to approve the recommendation to exercise the second and last option to renew Invitation to Bid (ITB) 17-009V - School and Department Furniture for one (1) additional year, October 21, 2016 through September 30, 2020, and request additional spending authority of \$4,000,000. This item was approved for an award at September 20, 2016, Regular School Board Meeting, for two (2) years from October 21, 2016 through September 30, 2018, with an award amount of \$5,600,000. A request for additional spend authority of \$770,000 was approved at the May 8, 2018, School Board Operational Meeting, and the first renewal and additional spend authority of \$3,800,000 was approved at June 26, 2018, School Board Operational Meeting.

#### Goods/Services Description

##### Responsible: Physical Plant Operations (PPO)

This Bid includes a single-fixed percentage discount from manufacturer's catalog/list price and also includes furniture with firm-fixed pricing that is consistently purchased throughout the District. All school furniture orders must be approved by the school's principal, and department furniture orders are approved by the department's director. However, no District office or buildings other than schools can purchase furniture without prior approval.

#### Procurement Method

##### Responsible: PWS

For this renewal period, all twenty-one (21) Awardees agreed to renew for one additional year at the same discount levels. Renewing is in the best interest of the District due to the following reasons:

- Many schools are using this contract for SMART purchases related to Furniture, Fixtures, and Equipment (FFE).
- Uncertainty of pricing due to recent imposed trade tariffs.

Procurement & Warehousing Services (PWS) is working to develop a new solicitation for 2020 and evaluating the market to bring the best possible solution for the District.

#### Financial Impact

##### Responsible: PWS and PPO

The total spending authority estimated for the renewal period is \$4,000,000 as calculated below:

Historical Average Monthly Expenditures		\$301,163
Number of months remaining on the current contract	x	<u>2</u>
Estimated expenditure for six months remaining in current contract		\$602,326
Current Unused authorized spending	-	<u>\$231,607</u>
Estimated additional spending authority for the current term (A)	=	<u>\$370,719</u>

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Historical average monthly expenditure		\$301,163
Number of months requested	x	12
<u>Estimated forecasted spend for twelve (12) months (B)</u>	<u>=</u>	<u>\$3,613,956</u>
Total estimated additional spending authority (A + B)	=	\$3,984,675
<b><u>Total requested additional spending authority (rounded)</u></b>	<b><u>=</u></b>	<b><u>\$4,000,000</u></b>

PWS is responsible for the control of the District contracts' spending authority. This action is performed through the unique Bid Id issued per solicitation, which only has a new number assigned when a new solicitation is awarded. In a renewal, the original Bid Id assigned to the contract does not change, therefore spending authority analysis is performed in its totality.

The amount requested was determined based on historical purchases districtwide from the previous bid term. The financial impact amount represents an estimated contract value; however, expenditures for this contract will not exceed the contract award amount.