



Agenda Item 5

TO: Bay Area Headquarters Authority

DATE: June 18, 2014

FR: Executive Director

W. I. 9130

RE: Contract - Furniture Procurement Services: Hogue and Associates (\$500,000)

This item would authorize the Executive Director or designee to negotiate and enter into a long-term contact with Hogue and Associates to design, procure and install office, public space and other ancillary furniture for the Regional Agency Headquarters Facility at 375 Beale Street, San Francisco. The scope includes approximately 550 office/workstations and 50 conference rooms/collaboration areas at an estimated total furniture cost of \$4.0 Million. The contract for the initial scope is for an amount not to exceed \$500,000 which allows the furniture design process to commence. When completed in the fall, staff will request authorization to issue purchase order(s) for furniture purchases and installation.

Background

As part of an agreement with the partner agencies, BAHA is obligated to provide furniture for agency (ABAG, Air District and MTC) spaces at move-in. BAHA will handle all matters related to this initial procurement and transfer assets to each agency according to its ownership interests.

On January 17, 2014, BAHA issued a Request for Proposals (RFP) and received proposals from four (4) Dealer and Manufacturer Teams (“Dealer Team”). The selected Dealer Team is expected to furnish all services over the next 10+ years, as described in Attachment A. The RFP also requires that the Dealer Team extend pricing for additional purchases that MTC, ABAG or the Air District would make under separate agency purchase orders for any new requirements.

Evaluation Results

More detailed information on the evaluation process is included in Attachment B with the Dealer Team’s overall final scores based on their written proposals, Mock-up solutions and BAFOs summarized as follows:

Proposer	Hogue/ Knoll	One Work Place Steelcase	Pivot/Herma Miller	Sidemark/ Teknion
Pricing (max 215 points)	185	181	159	193
Solution (max 150 points)	137	80	106	128
Key Personnel (max 75 points)	63	64	59	36
Other Factors (max 60 points)	60	60	57	55
Total (max 500 points)	445	385	381	412
Solution Pricing (Estimated Budget \$1.7 Million)*	\$1,526,663	\$1,416,688	\$1,580,838	\$1,426,556

**The pricing excludes professional services fees, delivery, installation, sales tax and bid bonding*

Panel Recommendation

The five member evaluation panel included representatives from BAHA, MTC, ABAG, the Air District and Tom Eliot Fisch (Interior Designers), recommends Hogue and Associates/Knoll Inc. as the Dealer most advantageous to BAHA based on the evaluation criteria stated in the RFP for the following reasons:

- Founded in 1974, Hogue and Associates is a commercial furniture dealership and project management firm and the preferred dealer representing Knoll Inc., both with offices in San Francisco for the past 40 years.
- The proposed furniture line was introduced in 1998 and has an installed base exceeding \$5.0 billion. Based on the review of the on-site mock-ups, the furniture sets a bar for quality in design and materials and exemplifies a professional look and feel.
- The Project Team includes experienced professionals with a portfolio of similar projects over \$1.0 million including Dreamworks (\$3.8 million), Stanford University (\$6.0 million) and Medivation (\$2.8 million).
- While the solution pricing fits within the BAHA budget, staff expects to review and refine the discounting schedules/mark-ups during the contract negotiations to ensure BAHA is indeed getting the best pricing structure for this project.

If contract negotiations are not successful with Hogue and Associates, staff recommends authorization to commence negotiations with Sidemark Corporation Furniture, a preferred dealer representing Teknion LLC; both with offices in San Francisco. Sidemark Corporation Furniture received comparable scores in pricing and the proposed solution, but lower team experience scores as there were major changes to the key personnel assigned to the BAHA project during the evaluation period.

Next Steps

Upon approval of the contract award, staff will enter into negotiations with the recommended Dealer Team to finalize the scope of work, project plan, furniture designs including finishes and pricing. Once completed, staff will seek BAHA approval to fund and issue purchase order(s) for the furniture purchases and installation.

Recommendation

Staff recommends Authority approval authorizing the Executive Director or his designee for the following:

1. To negotiate and enter into a 10 year professional services agreement with Hogue and Associates to provide services related to the design, procurement, coordination and installation of office and other ancillary furniture for the 375 Beale Street building, with an option to extend the contract up to two (2) additional five-year periods, subject to mutually agreeable pricing/discounting schedules and the allocation of funding in the BAHA annual operating budget. The initial contract for Phase I services is not to exceed \$500,000 for such contract.
2. If contract negotiations are not successful, BAHA requests authorization to commence negotiations and enter into an agreement, as stated above, with Sidemark Corporate Furniture which received the second highest evaluation.



Steve Heminger

SH:tg

Attachments

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REQUEST FOR AUTHORITY APPROVAL

Summary of Proposed Consultant Contract

Consultant: Hogue and Associates (San Francisco)

Work Project Title: 375 Beale Street Furniture Dealer/Manufacturer Services

Purpose of Project: Provide services to design, procure and install office, public space and other ancillary furniture for 375 Beale Street

Brief Scope of Work: Provide services related to the procurement of new office and other ancillary furniture for the 375 Beale Street building.

Project Cost Not to Exceed: \$500,000 for Phase I professional services costs related to the design of new office furniture for the Agency offices

Funding Source: BAHA FY 13-14 Budget

Fiscal Impact: Funding is included in BAHA's FY 2013-14 Budget

Motion by Committee: That the Executive Director, or his designee, is authorized to negotiate and enter into a 10 year professional services agreement with Hogue and Associates to provide services related to the design, procurement, coordination and installation of office and other ancillary furniture for the 375 Beale Street building, with an option to extend the contract up to two (2) additional five year periods, subject to mutually agreeable pricing/discounting schedules and the allocation of funding in the BAHA annual operating budget, as described in the Executive Director's memorandum dated June 11, 2014 and the Treasurer and Auditor is directed to set aside Phase I funding in the amount of \$500,000 for such contract.

If BAHA is unable to enter into a contract with Hogue and Associates, the Executive Director, or his designee, is authorized to negotiate and enter into a 10 year professional services agreement with Sidemark Corporate Furniture, as stated above, and the Treasurer and Auditor is directed to set aside Phase I funding in the amount of \$500,000 for such contract.

BAHA Chair:

Amy Rein Worth

Approved:

Date: June 25, 2014

Agenda Item 5 - Attachment A

PRELIMINARY SCOPE OF WORK

The preliminary project tasks are expected to include, but are not limited to, the following:

General:

- Provide project administration, supervision and ongoing support services needed for initial purchase and any future orders or upgrades. Maintain current project schedules to track all processes involved in design, manufacturing and installation of furniture.
- Coordinate with General Contractor, its subcontractors and BAHA service providers as required.
- Maintain complete documentation of purchased orders, purchased inventory and current installation plans for use when future orders or upgrades are undertaken.

During the Design Phase:

- Meet with BAHA and BAHA's representatives weekly to review plans, specifications and all other tasks required to develop furniture orders. Prepare furniture plans for all floors based on backgrounds provided by Architect.
- Test-fit and verify critical dimensions of walls, power/data outlets and other related items at 375 Beale Street and coordinate with the General Contractor and other contractors/dealers.

During the Manufacturing Phase:

- Track and coordinate all furniture orders/deposits and provide a bi-monthly schedule update. Coordinate all submittals and other required approvals with Architect. Attend weekly construction meetings on an on-call basis. Secure all necessary permits required by the Local Code Jurisdiction.

During the Installation Phase:

- Provide an on-site project manager during the installation to supervise installation activities, including any subcontracted work. Perform as needed punch-lists and provide a schedule for the completion of the punch list items to the satisfaction of BAHA.

During the Post-Installation Phase:

- Lead a furniture punch-list review with BAHA and BAHA's representative and resolve all items within two weeks or as soon as practical for long-lead replacement items. Prepare as-built drawings and provide them in both electronic and hard-copy formats. Provide orientation and training for staff assigned to maintain new furniture. Provide a post-occupancy review within one (1) month of installation finish to address any outstanding issues.

Ongoing Support:

- Manufacturer/Dealer team will be expected to provide services and product when future orders or upgrades are undertaken.

Agenda Item 5 - Attachment A

PRELIMINARY SCOPE OF WORK

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- Manufacturer/Dealer team will be expected to provide services and product when future orders or upgrades are undertaken.

Agenda Item 5 - Attachment B

PROCUREMENT AND EVALUTION PROCESS

Procurement Process

On January 17, 2014, BAHA issued a Request for Proposal (RFP) with the goal of entering into a professional services agreement with a Dealer, that represents a major furniture manufacturer, based on a pricing/discounting structure that can be applied to products drawn from the manufacturer's major lines, as well as establishing a fixed gross profit mark-up for other ancillary furniture drawn from "open line" products provided by other furniture manufacturers.

The RFP included a prototype detailing BAHA's requirements (e.g. panel height, surfaces, shelving and guest seating) for a pair of 8-foot by 10-foot workstations and one typical 100 square-foot private office.

By the proposal due date of February 5, 2014, BAHA received four proposals from the following Dealer Teams: Hogue and Associates/Knoll Inc., One Work Place L. Ferrari/Steelcase, Pivot Interiors, Inc./Herman Miller and Sidemark Corporate Furniture/Teknion LLC.

Initial Evaluation and Shortlisting

The five member evaluation panel included representatives from BAHA, MTC, ABAG, the Air District and Tom Eliot Fisch (Interior Designers). The evaluation panel provided written comments to the Dealers on a portion of their proposals which included their solutions and pricing submittals. Dealer responses to these comments were evaluated based on the following initial evaluation factors:

- Effectiveness of proposed solution, including aesthetics; and
- Pricing of proposed solution.

All four of the Dealers were shortlisted to proceed to the next phase.

Evaluation Process

The Dealer Teams were then invited to install one office and two workstation mock-ups onsite at 375 Beale Street. The mock-ups provided the evaluation panel an opportunity to further review the effectiveness of the proposed solution (i.e. design, functionality, comfort and other aesthetics).

On April 1st and 2nd, Agency staff attended a Furniture Fair to provide feedback on functionality, comfort, storage, visual privacy and meeting space. The fair was attended by 238 employees, representing 46% of the combined agency staff. Staff feedback included desires for more "visual privacy" by incorporating opaque/patterned (rather than clear) glass on top of the panels separating the workstations. This will be weighed against the need to bring light into the deep floor plate. Staff feedback for the selected furniture line will be analyzed during the design phase and incorporated into the final plans. Attachment C includes pictures of the furniture fair at 375 Beale Street.

Following the mock-up presentations by the Dealer Teams, BAHA issued a Request for Best and Final Offers (BAFOs) on May 1, 2014 to all four proposers, who were given the opportunity to revise their written proposals to address the concerns identified by the evaluation panel about the written proposals and proposed mock-up solutions, or to make any other changes. Following receipt of the BAFOs and clarifications, the evaluation panel completed its final evaluation based on the following criteria, in order of relative importance.

A maximum total of 100 points (per evaluator) or 500 combined points (five evaluators combined) could be assigned:

Category	Max. Points	Evaluation Criteria
Pricing	43	<ul style="list-style-type: none">• Pricing of proposed solution (max. 25 points);• Discounting schedule for primary lines (max. 11 points);• Gross profit markup for open line ancillary products (max. 7 points).
Solution	30	<ul style="list-style-type: none">• Effectiveness of proposed solution, including aesthetics (max. 30 points).
Key Personnel	15	<ul style="list-style-type: none">• Team experience and approach to partnering with BAHA (max. 15 points).
Other Factors	12	<ul style="list-style-type: none">• Product stability (max. 5 points);• Warranty (max. 4 points);• Sustainability (max. 3 points).
Maximum Total Points	100	

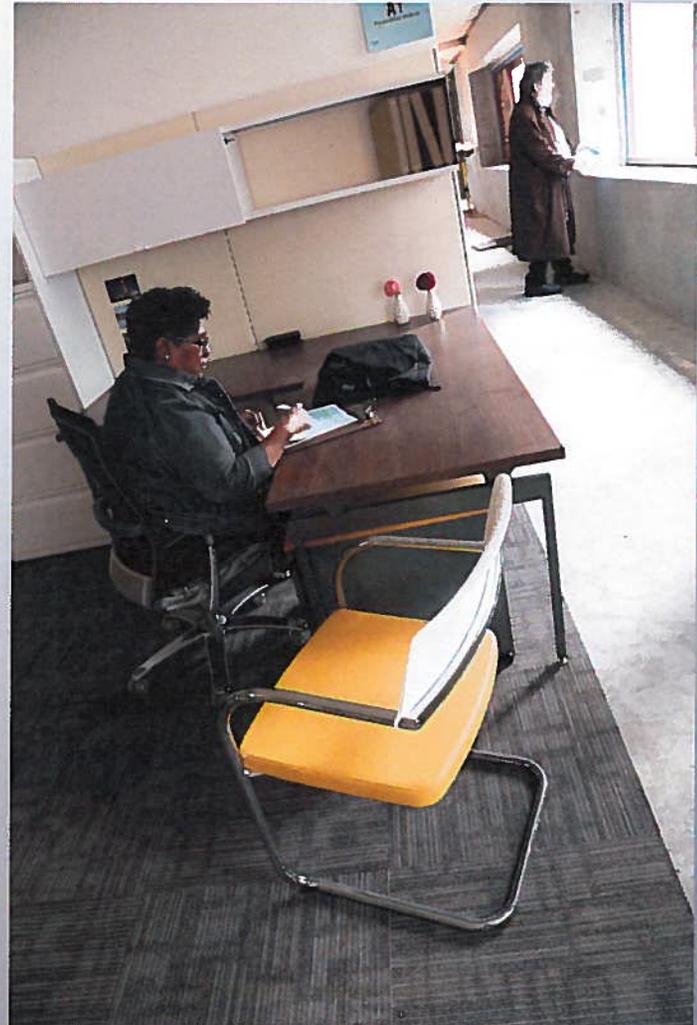
Furniture Fair



Staff Feedback



Attachment B



Office Option



Attachment B

Workstation Options



Filing versus Seating



Clear versus Opaque Glass



Attachment B

