



DATE: June 18, 2026
TO: Angela Calvillo, Clerk of the Board
FROM: Lorna Walker, Deputy Director of Office of Contract Administration (“OCA”)
SUBJECT: Resolutions to approve the third amendment to PeopleSoft Contract ID 1000019174 (TC96001A) and third amendment to PeopleSoft Contract ID 1000020436 (TC96001B) with Resource Design Interiors.

Enclosed are the resolutions authorizing the Office of Contract Administration (“OCA”) to amend:

- PeopleSoft Contract ID 1000019174 (OCA Term Contract (“TC”) 96001A) with Resource Design Interiors (“RDI”) for supply furniture, increasing the contract amount by \$1,630,000 for a total not-to-exceed (NTE) amount of \$10,630,000, extending the contract to the maximum nine-year (9-year) term through September 14, 2029, removing discontinued product lines, and adding new product lines; and
- PeopleSoft Contract ID 1000020436 (OCA Term Contract 96001B) with Resource Design Interiors (“RDI”) for supply furniture, increasing the contract amount by \$8,750,000 for a total NTE amount of \$17,750,000, and extending the contract to the maximum nine-year (9-year) term through December 31, 2029.

Background

On July 8, 2020, OCA issued an Invitation for Bids (“IFB”) for system furniture through Sourcing Event 0000004222. The IFB consisted of three (3) aggregates: (1) Office system furniture; (2) Seating; and, (3) Ancillary furniture. The City intended to award Citywide contracts to the three (3) lowest-priced, most responsive, and responsible bidders for each aggregate.

As a result of Sourcing Event 0000004222, RDI was awarded PeopleSoft Contract ID 1000019174 (TC96001A) for seating (Aggregate 2) from the manufacturer Knoll, which has since merged with Herman Miller to form MillerKnoll.

On September 22, 2020, OCA issued another IFB for office system furniture through Sourcing Event 0000004474. The purpose of this IFB was to rebid Aggregate 1 from the previous Sourcing Event 0000004222 since that solicitation resulted in only two awards, even though the solicitation specified that three contracts would be awarded.

As a result of this rebid, RDI was awarded PeopleSoft Contract ID 1000020436 (OCA TC96001B) for Knoll office system furniture.



Contract Execution, Modification and Pricing Structure:

1. PeopleSoft Contract ID 1000019174 (TC96001A):

PeopleSoft Contract ID 1000019174 (TC96001A) was executed with a Not-To-Exceed (“NTE”) Amount of Nine Million dollars (\$9,000,000) and a term from September 15, 2020 to September 14, 2023, with an option to extend for no more than nine (9) years.

The contract includes both goods and services based on fixed-volume discount percentages for various seating lines and fixed hourly rates for services such as delivery and installation.

On May 18, 2022, the contract was amended to increase certain pricing and extend the term for three (3) years, resulting in a new end date of September 14, 2026. No change was made to the Contract Not-To-Exceed Amount.

On October 25, 2024, the contract was amended a second time to increase certain pricing. No change was made to the Contract Not-To-Exceed Amount or the duration term.

The third amendment will extend the contract end date to September 14, 2029 and increase the NTE. As outlined in Table 1 below, the City has encumbered an average of Seventy-Seven Thousand Three Hundred Twenty-One dollars (\$77,321) per month against Contract 1000019174 since its start date of September 15, 2020. Based on the average monthly encumbrances to date and the forty (40) remaining months once this contract is extended, OCA estimates that the NTE amount must be increased to Ten Million Six Hundred Thirty Thousand dollars (\$10,630,000) to ensure adequate funds through their revised contract end date of September 14, 2029. This amount includes an additional \$1,500,000 to account for the San Francisco Public Utilities’ (“PUC”) anticipated purchases for office renovations, workspace reconfigurations, employee relocations, and other facility improvement projects across PUC facilities, as well as a 25% contingency to account for potential price increases and increased usage, as permitted under the contract.

OCA is proposing a 25% contingency due to significant unforeseen global factors that have sharply increased costs. Recent increases in fuel prices have driven up transportation and delivery expenses, while new or elevated tariffs on imported materials have resulted in higher product and manufacturing costs. These external market conditions are outside the City’s control, and the additional contingency will help ensure that City Departments can utilize these contracts without disruption despite global economic fluctuations.

Table 1: Third Amendment NTE amount calculations for PS CID 1000019174 as of May 11, 2026:

Avg Monthly PO Encumbrances Since Contract Start Date	\$77,321
Additional Funds Needed through Contract End Date	\$3,106,062
Additional Funds Needed (PUC anticipated spend in coming years)	\$1,500,000
Less Available Contract Balance in PS	(\$3,753,755)



Plus Contingency (25%)	\$776,515
Total Additional Funds Needed through Contract End Date	\$1,628,922
Current Executed Contract NTE	\$9,000,000
Proposed Revised Executed Contract NTE (Rounded to nearest ten thousand)	\$10,630,000

2. PeopleSoft Contract ID 1000020436 (TC96001B):

PeopleSoft Contract ID 1000020436 (TC96001B) was executed with an NTE amount of Nine Million dollars (\$9,000,000) and a term from January 1, 2021 to September 14, 2023, with an option to extend for no more than nine (9) years.

The contract includes both goods and services based on fixed discount percentages for various product lines and fixed hourly rates for services such as project management, design, delivery, and installation.

On May 17, 2022, the contract was amended to increase certain pricing and extend the contract for three (3) years, resulting in a new end date of September 14, 2026. No change was made to the Contract Not-To-Exceed Amount.

On December 18, 2024, the contract was amended again to increase certain pricing. No change was made to the Contract Not-To-Exceed Amount or the duration term.

The third amendment will extend the contract end date to December 31, 2029 and increase NTE. As outlined in Table 2 below, the City has encumbered an average of One Hundred Nineteen Thousand Seven Hundred Seventy-One dollars (\$119,771) per month against Contract 1000020436 since its start date of January 1, 2021. Based on the average monthly encumbrances to date and the forty-four (44) remaining months once this contract is extended, OCA estimates that the NTE amount must be increased to Seventeen Million Seven Hundred Fifty Thousand dollars (\$17,750,000) to ensure adequate funds through the revised contract end date of December 31, 2029. This amount includes an additional \$3,500,000 to account for the San Francisco Public Utilities’ (“PUC”) anticipated purchases for office renovations, workspace reconfigurations, employee relocations, and other facility improvement projects across PUC facilities, as well as a 25% contingency to account for potential price increases and increased usage, as permitted under the contract.

OCA is proposing a contingency of 25% due to significant unforeseen global factors that have sharply increased costs. Recent increases in fuel prices have driven up transportation and delivery expenses, while new or elevated tariffs on imported materials have resulted in higher product and manufacturing costs. These external market conditions are outside the City’s control, and the additional contingency will help ensure that City Departments can utilize these contracts without disruption despite global economic fluctuations.



Table 2: Third Amendment NTE amount calculations for PS CID 1000020436 as of May 11, 2026:

Avg Monthly PO Encumbrances Since Contract Start Date	\$119,771
Additional Funds Needed through Contract End Date	\$5,236,539
Additional Funds Needed (PUC anticipated spend in coming years)	\$3,500,000
Less Available Contract Balance in PS	(\$1,298,744)
Plus Contingency (25%)	\$1,309,135
Total Additional Funds Needed through Contract End Date	\$8,746,930
Current Executed Contract NTE	\$9,000,000
Proposed Revised Executed Contract NTE (Rounded to nearest ten thousand)	\$17,750,000

Recommendation

Both furniture contracts are essential to the City and County of San Francisco because it ensures consistent, reliable, and cost-effective access to the system furniture needed to support city operations and renovation projects. Both awarded contracts help City Departments furnish offices, public facilities, and workspaces quickly and in compliance with City procurement rules. It also standardizes quality, secures contract pricing, and streamlines project timelines because these contracts offer project management and design services, delivery, and installation.

For these reasons, timely approval of these resolutions will provide City departments with continued access to system furniture and related services through these citywide contracts.

If you have any questions or require additional information, please contact Gloria Yuen at (628) 652-1635.

Enclosures:

1. Contract 1000019174 Initial Contract
2. Contract 1000019174 Contract Modification 1
3. Contract 1000019174 Contract Modification 2
4. Contract 1000019174 Proposed Third Amendment (unsigned)
5. Contract 1000019174 Third Amendment Resolution
6. Contract 1000019174 Form 126f4
7. Contract 1000020436 Initial Contract
8. Contract 1000020436 Contract Modification 1
9. Contract 1000020436 Contract Modification 2
10. Contract 1000020436 Proposed Third Amendment (unsigned)

City and County of San Francisco
Daniel Lurie, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Sailaja Kurella, Director
Office of Contract Administration/Purchasing

11. Contract 1000020436 Third Amendment Resolution
12. Contract 1000020436 Form 126f4