APPROVAL OF THREE YEAR AGREEMENTS WITH TEN FURNITURE SUPPLIERS

RESOLUTION NUMBER 2010-31

WHEREAS, at the request of President Snyder, College employees formed a state-wide committee and successfully negotiated agreements with ten suppliers for furniture and furniture installation services that meet the College’s specifications, and

WHEREAS, it is the desire of the College to provide opportunities to Minority-Owned and Woman-Owned Businesses (MWBEs) and Indiana manufacturers, and

WHEREAS, under these agreements, the College will significantly increase its furniture purchases with MWBEs and Indiana-based businesses, and

WHEREAS, it is the desire of the College to save money through standardization, purchase consolidation and the resulting volume leverage these activities provide, and

WHEREAS, it is the desire of the College to redeploy savings dollars to faculty, staff and other strategic initiatives which help ensure student success, and

WHEREAS, it is the desire of the College to assist the regions by eliminating the time-consuming process of individual negotiations with suppliers, and

WHEREAS, under the agreements, which have initial terms of three years, the College will have the ability to purchase furniture at substantially reduced costs relative to current costs and relative to market norms, and these ten suppliers will be the College’s exclusive providers of furniture, and

WHEREAS, based on their negotiations with Binford Group (student chairs, executive guest chairs, lab stools, executive conference tables, credenzas, coffee tables and end tables), Commercial Office Environments (coffee tables and end tables), Continental Office Environments (computer tables, study carrels, testing stations, and cafeteria tables), d2p (metal faculty desks, wood executive desks, small conference tables, and wood bookcases), Jack Laurie (concealable computer tables and magazine racks), OfficeWorks (student chairs, standard guest chair, café stools, café chairs, general task chairs, executive task chairs, conference task chairs, folding student work stations, bookcases, filing, closed storage, teacher desks, and lecterns), RJE Business Interiors (systems furniture), TLSbyDesign (lounge furniture), Business Furniture (library bookshelves), and Virco (non-folding student work stations), College employees have determined that these suppliers offered the lowest total cost to the College for furniture and related services that will meet the College’s specifications, and

WHEREAS, under the agreements, the College will be able to purchase and install furniture on a cost basis that is significantly better than those available to the College under any other purchase agreements with the suppliers listed above, and

WHEREAS, the College praises and thanks the committee for hours of service, advice and counsel in helping the College to develop standards and create significant savings, and
WHEREAS, the Finance Committee of the State Board of Trustees has considered the proposed agreements and recommended that the Board authorize the College to enter into the agreements:

NOW THEREFORE BE IT RESOLVED, that the State Board of Trustees of the College hereby authorizes and directs the President of the College, or any other officer of the College designated by the President, to sign proposed three-year, exclusive agreements with each of the above ten suppliers for furniture and related services.

State Trustees
Ivy Tech Community College of Indiana

Kaye H. Whitehead, Chairman

William F. Morris, Assistant Secretary

Dated June 10, 2010
Consideration of a Resolution to Authorize Approval of Three Year Agreements with Ten Suppliers for Furniture and Related Services Commencing June 14, 2010

- Initiative Goal: Reduce acquisition price and total cost of ownership through standards development and purchase consolidation and volume leverage
  - Efficiently conduct purchases on College-wide basis
  - Deploy need-based (vs. want-based) standards across College
  - Eliminate non-value-added College and external labor
  - Improve productivity
  - Obtain strong complement of furnishings at greatly reduced cost

- Expected results based on standards, RFP process, product selections and negotiations
  - $1.5 million savings vs. past buys for major project demand (Elkhart, Warsaw, Muncie, Indianapolis, Anderson, Bloomington)
  - >30% savings vs. past buys; savings will extend to both large and small buys with very limited order minimum constraints
  - Frozen pricing for 18 months to 3 year period depending upon supplier
  - Radically reduced supply base: Ten agreement suppliers
  - Bounded flexibility that provides many choices for key items yet maintains purchasing power with 1 supplier per category*
  - Excellent diversity spend outcome: >50% of spend will be with MWBEs
  - Strong Indiana manufacturer buy: Kimball - metal faculty and wood executive desks (Jasper), TLSbyDesign - lounge furniture (Portland), Inwood - executive conference tables, credenzas, coffee and end tables (Jasper)
  - Highly sustainable product selection
  - Short lead-time product selection
  - Win-Win-Win for suppliers, Ivy Tech and State

*limited exceptions: classroom seating, coffee tables and end tables will have two suppliers