

COMMISSION AGENDA ITEM  
Item 8(c) Statewide Furniture CMAS Contract



**Date:** November 21, 2024  
**To:** California State Lottery Commission  
**From:** Harjinder K. Shergill Chima *HKC*  
Director  
**Prepared By:** Jean Cooper, Deputy Director, Operations  
**Subject:** **Item 8(c) Statewide Furniture CMAS Contract**

**ISSUE**

The California State Lottery (Lottery) is requesting approval to enter into a Service Agreement with Western Contract through February 7, 2026, for modular furniture and related reconfiguration, installation, and space optimization services for Lottery locations statewide. The current contract for these services expires on December 11, 2024.

**BACKGROUND**

During the Lottery's Headquarters (HQ) construction project, the Lottery established furniture standards for the HQ location, which was used as the basis for furnishing all Lottery-owned facilities statewide. Once this standard was established, a contract was competitively bid with Western Contract (Western) being the lowest bidder to provide office furniture, space planning and installation services. Due to Western having secured an exclusive special pricing agreement with Haworth, it resulted in the lowest available price for Haworth furnishings. The Lottery's existing Agreement with Western providing office furniture goods and services expires on December 11, 2024.

To continue providing these goods and services, the Lottery utilized the Department of General Services (DGS) California Multiple Award Schedules (CMAS) program for possible vendors. CMAS offers a wide variety of commodities and services which have been pre-assessed to be fair, reasonable, and competitive. A Request for Proposal was sent to twenty-nine (29) CMAS vendors which included five (5) California distributors of Haworth furniture, and one (1) California state agency who provides Office Furniture Workstation Services, to provide a bid for furniture goods and services compatible with Haworth furnishings. One (1) response was received from a CMAS program participant and Haworth distributor, Western Contract.

**DISCUSSION**

In early 2020 the Lottery conducted an HQ Campus analysis and assessment of the remaining space capacity at the HQ building to examine solutions for managing office space capacity

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issues. The requirements of safely staffing the Lottery amid a pandemic added to the equation of assessment of remaining space. Due to the growing workforce, a recommendation was made to implement a permanent Telework Program to help reduce the need for physical workstations at HQ. As a result, the HQ Space Optimization Project, sponsored by the Operations Division was created to optimize space used by office- and remote- centered staff.

Due to spacing issues resulting from the Lottery Telework Program and the recent change on the Return to Office (RTO) initiative, space planning, reconfigurations of existing workstations, the addition and installation of new workstations became required to accommodate returning staff. The Lottery has an ongoing need to add and modify workstations throughout all Lottery facilities to support Sales at all the District Offices on a regular basis and must continue to support the existing HQ Space Optimization Project. Additionally, the purchase of replacement chairs, chair parts, and new reasonable accommodation sit/stand desktop units will be required on a regular basis. The proposed Service Agreement enables the Lottery to continue to obtain these necessary goods and services in a timely manner at the best prices.

The furniture industry is patent driven to protect the designs and creations of manufacturers. This means the Lottery cannot build a complete workstation with parts and components from various furniture brands. Since Haworth was selected as HQ's furniture standard during a competitive bid process, the Lottery has only installed Haworth furniture in every Lottery facility statewide. Furniture and parts for additional workstations and reconfigurations must be from the same manufacturer to ensure consistency throughout Lottery facilities, and to allow for the product to be interchangeable when necessary.

The Lottery currently has 350+ workstations at HQ alone, and over \$50,000 of spare Haworth workstations parts. If the Lottery were to go with a different furniture brand, these parts would be useful temporarily for minor repairs to existing stations. However, for big buildouts, new workstations or the reconfiguring of existing workstations would not utilize these parts, costing the Lottery additional money. A new workstation costs roughly \$8,000 depending on size. If the Lottery were to change furniture brands, it would come at a cost of several million dollars for HQ alone.

HQ currently has 350+ workstations. To accommodate the current and future workstation demand, it was determined to increase workstations by 20%, or a total count of 70. Each new workstation costs approximately \$8,000, so a 20% increase to accommodate current and future workstation demand would cost approximately \$560,000.

The Paying Claims at the District Office (PCDO) project has been successful and allows Lottery staff at any District Office to validate winning tickets, process claims and issue checks to customers. This success comes with hiring more staff throughout the State to process thousands of claims per week. In 2023, the Lottery spent around \$200,000 for additional workstations at District Offices and Distribution Centers to support PCDO. In the future we expect to spend an

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additional \$200,000 to accommodate more workstations. Plus, an additional \$40,000 for miscellaneous purchases, such as chairs, chair parts, reasonable accommodations request and unforeseeable expenses.

**RECOMMENDATION**

Lottery staff recommend approval to enter into a Service Agreement with Western Contract to provide modular furniture, parts, design, and installation services across all Lottery facilities with a maximum expenditure of \$800,000.00. The proposed Service Agreement term date expires February 7, 2026, when the CMAS Agreement expires.