Flooring & Office Furniture

Buying Strategies for Economic and Community Impact

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ECONOMIC & COMMUNITY IMPACT FOCUS AREAS

California (local) and our community impact

 Activate alumni & active students to participate in our supply chain

Open pathways to invest in locally impacted, recovery & resilience zones businesses

 Small business & partnership opportunities

Strengthen the California economy

Open opportunity for people of all backgrounds and business sizes

POTENTIAL OUTCOMES



Create pathways for students and alumni business to participate in our supply chain



Speed up recovery in environmental and economically impacted communities



Economic and environmentally sustainable outcomes

Subcategory Strategy – Furniture & Flooring

Strategy Objectives

- Work with manufacturing partners to identify California based dealers to support projects across the UC System
- Drive economic and community impact (UC target = 25%)
- Educate UC stakeholders on the sustainability programs that our manufacturing partners have in place
- Increase spend under our UC Systemwide Contracts
- Drive cost savings by leveraging our Systemwide Contracts
- Provide accurate reporting on UC Small and Diverse spend by ensuring economic and community impact.
- Work with the UC Green Team to enhance supplier reporting



Office Furniture – Economic and Community Strategy

Category Overview:

- Category Spend FY2024 \$53.7M FY2025 \$46.3M YTD
- 3 Contracted Manufacturers (Systemwide) OMNIA LAMP
- 31 Authorized Dealers 22 are Small and/or Diverse

Economic and Community Impact:

- Outreach to promote participation with Small, Local, and Diverse Dealers to achieve UC 25% target
- Updated Dealer list includes Small and Diverse Business Certifications and current contacts

Three Contracted Manufacturers

MillerKnoll Kimball[®] International Steelcase



Flooring – Economic and Community Strategy

Category Overview:

- Category Spend FY2024 \$11.3M FY2025 \$15.3 YTD
- 7 Contracted Manufacturers (Systemwide) OMNIA LAMP
- 88 Authorized Dealers 62 are Small and/or Diverse
- Negotiated 2-year extensions through 4/14/2027 with fixed pricing

Economic and Community Impact:

- Outreach to promote participation from Small, Local, and Diverse Dealers to achieve UC 25% target
- Updated Dealer list to include Small and Diverse Business Certifications
- Identify opportunities to capture <u>Tier-2</u> spend on construction projects

Shaw BENTLEY CTarkett MOHAWK MANINGTON Williken Interface

Seven Contracted Manufacturers



Benefits of Using Systemwide Contracts

Benefits

- Top manufacturers in their categories
- Previously competitively bid
- Best in class dealers providing value added services: design, installation, project management, and warranty services
- Supports economic and community impact goals
- Alignment with UC sustainability objectives and reporting requirements
- Approved UC Terms and Conditions
- Competitive pricing with established discount structures
- Implemented UC Systemwide Tariff mitigation strategy
- Warranty support



Office Furniture – Sustainability Programs

Manufacturers	Program Highlights
Kimball	Product Lifecycle: reuse, repair, recycle, remanufacturing
MillerKnoll	rePurpose Program: relocate, reuse, resell, and recycle. Recycled components
Steelcase	Circular: remanufacturing, repair, reuse, and recycling. Design to disassemble components for reuse or recycling. Reduced packaging.



Flooring – Sustainability Programs

Program Highlights

Each of our seven manufacturers have different programs, including:

- Manufacturing using less materials
- Design for recycling and/or remanufacturing
- Picking up used flooring for recycling free of charge
- Donating flooring that is still usable to schools and charities

> Detailed descriptions of each manufacturer's sustainability programs



Flooring & Office Furniture Resources

Program Resources

- General information about this program
- Updated Dealer Lists
- > Detailed descriptions of each manufacturer's sustainability programs







Summary: Furniture & Flooring Buying Strategies – 7.9.25

Quick recap

The meeting focused on a webinar discussing flooring and office furniture buying strategies, with presentations on economic and community impact goals, including strategies for partnering with manufacturers and promoting sustainability programs. The team reviewed data on UC's spending in these categories and discussed efforts to increase small and diverse business participation through system-wide contracts with top manufacturers. They addressed various operational aspects including recycling practices, vendor certifications, and the importance of manufacturer tours, while emphasizing the goal of directing over \$60 million in spend to certified vendors.

Next steps

- Preston to update the dealer lists with the latest contact information and certifications for both office furniture and flooring categories.
- Preston to reach out to Shaw to ensure the entire portfolio, including Pat Craft, is included in the contract.
- Preston to update the GMBI contact information for Heller Miller as Alma is in charge of furniture.
- Participants to reach out to Preston with any updates or corrections to the dealer lists, including unsupported locations.
- Participants to contact Preston if they have information about a location being supported or not by dealers.
- Participants to reach out to the manufacturer's representative for assistance with projects, using the contact information provided in the cheat sheet.
- Participants to use the systemwide agreements for UC projects, even if they involve lease space or large construction projects.
- Preston to continue working with manufacturers to enhance reporting on sustainability certifications and processes.
- Bara to send out links to access the recording, slide deck, and spreadsheets to all registered participants.

Summary

Flooring and Furniture Impact Strategies

The meeting focused on a webinar about flooring and office furniture buying strategies, with Bara introducing the session and Adrian Ferrara, Abim Odusoga, and Preston White discussing the economic and community impact goals. Abim highlighted the importance of activating students and alumni in the supply chain, supporting local businesses, and enhancing environmental and economic sustainability. Adrian and Preston outlined strategies to address challenges and meet organizational goals, with a target of 25% for economic and community impact. Participants were reminded to submit questions via chat for discussion at the end.

California Manufacturing and Sustainability Strategies

Adrian and Preston discussed strategies for partnering with California-based manufacturers and promoting sustainability programs. They presented data on UC's spending in office furniture and flooring categories, highlighting the significant economic impact and the involvement of large

manufacturers. Preston shared updates on dealer lists, including an increase in small and diverse business participation, and mentioned ongoing contract negotiations to lock pricing until 2027.

Local Flooring Manufacturer Promotion Strategy

Preston discussed the strategy for promoting small, local, and diverse dealers through system-wide contracts with top flooring manufacturers like Shaw, Mannington, Bentley, Milliken, Tarkette, Interface, and Mohawk. He highlighted the benefits of using California-based manufacturers, such as Bentley in the City of Industry, which supports local employment and reduces transportation emissions. Adrian shared insights from a plant tour with Bentley, showcasing their carpet creation process and the availability of tours for UC system members. Preston emphasized the competitive bidding process, value-added services, and sustainability requirements of the contracts, as well as the economic and community impact goals they support.

Tariff Mitigation and Sustainability Efforts

Preston discussed the efforts to mitigate tariffs with furniture manufacturers, noting that all seven furniture manufacturers have been able to avoid tariffs with minimal impacts on office furniture. He highlighted the sustainability programs of various manufacturers, including remanufacturing options and long-lasting products. For flooring, Preston mentioned that several manufacturers use less material in their products and have recycling and remanufacturing programs in place.

Recycling and Economic Impact Strategies

Preston and Adrian discussed recycling and repurposing flooring materials, emphasizing the importance of proactive collection and recycling practices to reduce environmental impact and costs. Preston presented updated dealer lists for office furniture and flooring, highlighting certified small and diverse businesses that can help increase economic impact through tier-one spending. Adrian praised Preston's efforts in creating these resources, noting that the \$60 million in contracted furniture and flooring spending could potentially become 100% tier-one economic impact spend by choosing certified vendors.

Vendor Diversity and Economic Impact

Preston discussed the importance of considering diversity and business certifications when selecting vendors for projects, emphasizing the opportunity to drive impact spending. He mentioned that the organization has spent \$15 million on flooring this year. Adrian addressed a question from Hannah about using multiple workplace vendors, clarifying that while each campus may have specific strategies, system-wide, there is the option to shop around for alternative vendors. He also mentioned the need for backup options to ensure competitive pricing and customer service. Preston and Adrian discussed the goal of transitioning \$60 million to an economic impact bucket, with Preston having prepared a dashboard to track progress. They also addressed questions about the Shaw umbrella contract, including Pat Craft, and the need to update the GMBI contact information.

Small Business Sustainability Compliance Review

The team discussed location support for small business initiatives, with Preston offering to add unsupported locations after being contacted. They addressed sustainability concerns, with Adrian explaining that while vendors currently meet California's sustainability standards, they are working to ensure red-list chemicals are not used in portfolio options. The group also reviewed furniture and flooring sustainability efforts, including ongoing monitoring of vendor certifications and compliance with policy changes, with Preston noting upcoming enhanced reporting requirements for manufacturers.

R&D Tours and Vendor Certification

Adrian discussed the value of tours in R&D facilities, emphasizing their importance for understanding manufacturing processes and encouraging other furniture manufacturers to participate. Preston

clarified that UC projects are eligible to use systemwide agreements for lease spaces and construction, and Adrian confirmed that these agreements provide the best value. They also addressed the need to accurately classify and certify manufacturers and distributors in their data systems, with Preston and Abim teams working on these improvements. The discussion highlighted the potential for significant economic impact through these agreements, with a goal of directing over \$60 million in spend to certified vendors.

Manufacturer Contact Process Overview

Preston and Adrian discussed the process of contacting manufacturer representatives for construction projects, emphasizing the importance of using the provided cheat sheet for contact information. They explained that manufacturer representatives are the best resource for facilitating sales under specific programs, as they are familiar with contracts, dealers, and available discounts. Adrian mentioned that if a campus is not listed, the teal or blue contacts can assist in finding proper coverage. Bara announced that links to the recording, slide deck, and spreadsheets would be distributed to registered attendees. Abim expressed gratitude for the team's efforts and looked forward to continuing their partnership.