



CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Director of Finance & Administration
Chris Dodd, Facilities Services Manager

Date: December 3, 2014

Subject: **SPECIAL MARKET CONDITION FOR THE PURCHASE OF A USED OFFICE FURNITURE SYSTEM FOR THE CITY HALL REMODEL PROJECT**

RECOMMENDATION:

Council approves a resolution to waive the competitive process for the purchase of a used Steelcase Office Furniture System from Arnold's Office Furniture in Bridgeport, Pennsylvania due to special market conditions and authorizes the City Manager to purchase the office furniture system in an amount not to exceed \$600,000.

BACKGROUND DISCUSSION:

During the 2013 space needs study for the City Hall remodel project, it was identified that a new office furniture system would be more efficient both in layout and staff productivity. At the time of the space needs study, the estimated cost for a brand new office furniture system was \$2.3 million. With a total project budget of \$10 million, staff came to the conclusion that it was not feasible to incur that cost while staying within the overall project budget.

The current furniture system is 25+ year's old, not as efficient in layout and showing signs of wear. Staff has continued to look for a creative solution to accomplish the goal of making the floor plan and work spaces the most efficient possible.

Recently, a seven year old Steelcase Montage system (one of Steelcase's premier systems) large enough to meet the needs at City Hall has become available and appears to be in excellent condition. The system is being disassembled from a Chase Bank in Manhattan, New York and being brought to Arnold's Office Furniture, a used furniture dealer in Bridgeport, Pennsylvania. The estimated cost of purchasing the used furniture system to meet the City Hall needs is estimated not to exceed \$600,000, including storage, shipping and installation. To provide some context for this price, the cost of procuring new furniture for the Kirkland Justice Center was \$609,000 and the quantity of furniture was roughly one third of what is needed for City Hall. As a result, staff recommends that this represents a special market condition given the extremely advantageous price and that the furniture is being actively marketed by the dealer so may only be available for a short time.

This purchase would transform City Hall and how it interacts with the community at a fraction of the cost, create more efficient work spaces, be consistent with the City Council's goals of adaptive re-use whenever possible and stay within the project budget.

RESOLUTION R-5092

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE PURCHASE OF A USED OFFICE EQUIPMENT SYSTEM FOR THE CITY HALL REMODEL PROJECT AND WAIVING COMPETITIVE BIDDING REQUIREMENTS DUE TO THE PRESENCE OF SPECIAL MARKET CONDITIONS.

WHEREAS, the furniture in City Hall is over 25 years old and a 2013 study for the pending City Hall remodel project identified the purchase of a new office furniture system as being more efficient in terms of layout and staff productivity; and

WHEREAS, a used Steelcase Office Furniture System large enough to meet the furniture needs at City Hall has been located at Arnold's Office Furniture in Bridgeport, Pennsylvania, at a very favorable price estimated to be less than 600,000 dollars, compared to an estimated 2.3 million dollars for a new office furniture system and may be sold before the City could complete a formal bidding process; and

WHEREAS, RCW 39.04.280(1)(b) and Kirkland Municipal Code 3.85.210(a)(2) provide that the City may waive competitive bidding requirements, by resolution, for purchases involving special market conditions; and

WHEREAS, the City Council finds the opportunity to purchase a used office equipment system, which meets the City's needs and at a substantial savings to the City, is an opportunity which may only be available for a limited time and presents special market conditions; and

WHEREAS, it is appropriate to waive competitive bidding for the above reasons and to authorize the City Manager to purchase the used office equipment system.

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. Due to the special market conditions presented by the opportunity to purchase a used office equipment system for the City Hall remodel project, the competitive bidding requirements are waived.

Section 2. The City Manager is authorized to purchase the used Steelcase Office Furniture System from Arnold's Office Furniture in Bridgeport, Pennsylvania, in an amount not to exceed \$600,000, including storage, shipping and installation.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2014.

Signed in authentication thereof this ____ day of _____, 2014.

MAYOR

Attest:

City Clerk