



**TO:** Board of Contracts and Awards  
**FROM:** Kathy Katterhagen, Finance Division Manager, Procurement and Payables *KK*  
Marie Holm, Finance/Purchasing  
**COPY:** City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and  
Andrew Cherullo, Finance Director  
**SUBJECT:** Increase for Citywide Office Systems and Ancillary Furniture Contract  
Request for Proposals CT09-0355F, SAP Contract No. 4600005988 - August 19, 2014  
**DATE:** July 25, 2014

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**SUMMARY:**

Finance/Purchasing requests approval to increase Contract No. 4600005988 with Business Interiors Northwest (BINW), Tacoma, WA by \$400,000, plus sales tax, for office systems and ancillary furniture to be purchased as needed. This increase will bring the contract to a cumulative amount of \$1,968,000, plus sales tax. The contract expires January 31, 2015 with no options to renew. At the time of contract award in 2010, estimated usage was based on historical data and planned project purchases. Due to unplanned larger purchases, the TPU Cafeteria remodel and an upcoming one-time purchase to upgrade the Green River Facility Operations Building, the current contract balance will need to be increased to allow for the one-time purchases to occur as well as other furniture purchases and services until the contract expires.

**STRATEGIC POLICY PRIORITY:**

State and briefly explain which strategic policy priority is best aligned to this action. Please remove the statements below you are not directly addressing.

- Encourage and promote an open, effective, results-oriented organization.

This contract has aggressive fixed discounts and is widely used by many departments within the City.

**BACKGROUND:**

ISSUE: This contract increase allows for the continuation of furniture purchases, work station design and installation services used by various City departments as needed. Although there are two other furniture contracts available to use, the departments have gravitated towards the BINW contract more exclusively. At the time of the initial award, BINW was given \$900,000 and two other furniture suppliers were given contracts for \$450,000 each. To-date, the BINW contract has approximately \$37,000 available. The Bang Office Interiors contract has approximately \$447,000 and the Open Square d/b/a Bank and Office Interiors contract has \$430,000. Awarding three contracts allowed for continued standardization of furniture or new options. BINW carries Herman Miller furniture which TPU has standardized in their facilities. The discounts available on the various manufacturer lines are excellent and allowed departments a variety of manufacturers.

ALTERNATIVES: The alternative course of action would be to not increase the contract at this time and wait till the remaining amount of \$37,000 is spent. Taking this action may cause a delay in the payment processing and having to ratify purchases when requesting a contract increase. Because this contract is used “as needed”, there is no prior notification of purchases to be made. Although there are two other furniture contracts in place, departments use this contract more frequently because they have other systems furniture made by the same manufacturer.



**COMPETITIVE SOLICITATION:** This contract was originally awarded to BINW as a result of Request for Proposals CT09-0355F. BINW has agreed to increase the contract at the same terms and conditions as the original contract.

**CONTRACT HISTORY:** This contract was originally approved by Resolution 37964 on January 5, 2010, in the amount of \$900,000, plus sales tax and by Utility Board Resolution U-10346 on December 16, 2009. The first contract amendment approved per Resolution 38262 on May 17, 2011 and Utility Board Resolution U-10465 on April 27, 2011, increased the contract by \$668,000, plus sales tax, for a total of \$1,568,000, plus sales tax. This second amendment of \$400,000, plus sales tax, would bring the cumulative aggregate total to \$1,968,000, plus sales tax through January 31, 2015.

**RECOMMENDATION:**

Finance/Purchasing recommends an increase to the contract to allow BINW to continue supporting furniture needs to the various departments.

**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various departmental funds			\$400,000
<b>TOTAL</b>			

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
<b>TOTAL</b>			

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$200,000**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes**