

IMPACT STATEMENT

Legislation title: *Authorize a five-year Price Agreement for purchase of furniture, accessories and related services from NewJee, LLC dba Hyphn (formerly known as SmithCFI) for an amount not to exceed \$24,128,800. (Project #122022)

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Presenter name: Larry Pelatt, Chief Procurement Officer

Purpose of proposed legislation and background information:

The purpose of this legislation is to authorize a Price Agreement with NewJee, LLC dba Hyphn for the purchase of furniture and accessories for Citywide use on an as-needed basis for the next five years.

This legislation supports Resolution #37274 for Space Optimization.

Financial and budgetary impacts:

The estimated usage of the Price Agreement by the City will be for a not-to-exceed amount of \$24,128,800 over five years. This amount includes a budget of \$11,250,000 for the average 5-year spend of Citywide purchases exclusive of large projects, plus \$12,878,800 for the first large project of this contract for the Space Optimization project in the Portland Building. The confidence level in this procurement is "High" as there is good historical information regarding Citywide purchases made for these types of items and a detailed budget has been created for the first large project.

Requests for additions to this contract for other large City projects are fully expected and will be made via amendment to this contract and approval by Council and funded through separate budget authority.

Funding for the Space Optimization project, including a furniture component and tenant improvements component, will come from temporary line of credit financing. Total costs for the project are budgeted at \$18,808,000 and include the \$12,878,800 for the furniture in this contract. The line of credit is anticipated to be paid off in a bond financing in conjunction with the bond financing that will pay off the line of credit used for the Portland Building Reconstruction Project. Debt service for all the furniture and tenant improvements, except in the Bureau of Environmental Services (BES) and Portland Water Bureau (PWB) spaces, will be included in the blended downtown office space rental rates beginning in FY 2020-21. Debt service is estimated at \$1,800,727. BES and PWB will have their own bond sales for the furniture and tenant improvements for their spaces. Debt service for BES and PWB is estimated at \$1,169,378. Other purchases on this contract will be required to come from budgets approved for City bureaus.

No positions will be created, eliminated or re-classified as a result of this legislation.

Community impacts and community involvement:

City Council passed Resolution No. 37274 on March 15, 2017 to implement the Space Optimization proposal and obtain contracts and contract amendments to implement the proposal. To accomplish this, the Chief Procurement Officer issued a competitive solicitation for Citywide Furniture for Space Optimization. The goods and services contracting community, including companies certified with the State of Oregon's Certification Office for Business Inclusion & Diversity became involved when the solicitation was advertised and publicly noticed on the City's Online Procurement System on September 26, 2017. Potential proposers could review the competitive solicitation, ask questions, provide comments and submit proposals.

No known persons or groups will be testifying.

No future public involvement is anticipated or necessary for this request as these are services that will be used on an internal City system.

Budgetary Impact Worksheet**Does this action change appropriations?**

- ☐ **YES:** Please complete the information below.
☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount