

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSING) RESOLUTION NO. 97-2503
THE PURCHASE OF USED EQUIPMENT)
FOR THE METRO WASHINGTON) Introduced by
PARK ZOO) Mike Burton

WHEREAS, Metro is building new restaurant and banquet facilities at Metro Washington Park Zoo, as part of the Oregon Project, approved by voters in September 1996; and

WHEREAS, Metro and the Zoo want to maximize the facilities being developed with the Oregon Project Bond Fund; and

WHEREAS, the purchase of quality used furnishings, fixtures, and equipment, where available, will result in substantial savings; and

WHEREAS, the purchase of used equipment will be at auctions and other discount houses; now, therefore,

BE IT RESOLVED,

The Metro Council authorizes staff to purchase used furnishings, fixtures, and equipment in accordance to the following standards: equipment is in good condition with a limited warrantee, and equipment is priced at a substantial discount over purchasing new.

ADOPTED by the Metro Council this 5th day of June, 1997.



Jon Kvistad, Presiding Officer

Approved as to Form:



Daniel B. Cooper, General Counsel

STAFF REPORT

CONSIDERATION OF RESOLUTION #97-2503, FOR THE PURPOSE OF ENDORING THE PURCHASE OF USED EQUIPMENT FOR THE METRO WASHINGTON PARK ZOO

Date: April 25, 1997

Presented by Teri Dresler & Tony Hendryx

Background

The Metro Washington Park Zoo is in the design development stage for construction of the Oregon Project. This project will open in phases beginning with the summer of 1997. In this proposal, we wish to specifically address the second phase, facilities opening in the fall of 1998. These include entry facilities comprised of a retail gift shop, restaurant and banquet facility, entry kiosks, and an entry plaza overlooking a new Mountain Goat exhibit.

In the development of the Oregon Project, the design teams have been very aware of budget limitations. Part of our challenge has been to "design more with less." Along those lines, the design teams working on the revenue facilities have proposed the purchase of used equipment, where appropriate. There will be items on our equipment list that will be purchased through new equipment vendors utilizing Metro's competitive purchasing process.

In the restaurant/banquet industry it is common business practice to purchase equipment on the used market. Quality used equipment can be purchased in this market for approximately a 30% savings. Used equipment is usually liquidated via auction during restaurant foreclosures, or is available through established used equipment purveyors.

The Facilities Management Division has a number of large equipment purchases which they have researched on the used market and feel could be purchased at at least a 40% savings if used equipment were procured.

Staff Proposal

The intent is to reduce the cost of equipment purchases for phase two facilities, from an approximate \$725,000 to \$500,000 with the purchase of some used and some new equipment. The attached Appendix A lists equipment to be purchased for the restaurant and banquet facilities. Estimates for new equipment were provided by Halladay Associates, a restaurant consulting firm. The attached Appendix B list equipment the Zoo's Facilities Management Division has identified. The attachment indicates the new vs. anticipated used price, and whether the equipment will be

purchased new or used. Staff have confidence that this savings is possible given the ability to operate outside of the established competitive purchasing process in the purchase of used equipment. Staff assumptions on the used cost of equipment has been verified by vendors who regularly purchase and refurbish equipment in the used market. This authorization to purchase equipment using a sole-source is subject to the following standards: a) equipment is in good condition, b) a limited warrantee is in force, and c) equipment is priced at a substantial discount over purchasing new.

Purchasing used equipment at auction or through used vendors is not the norm for many Metro divisions. To accomplish this goal, the Zoo needs to have a readily accepted method of payment to purchase used equipment at auctions. Scott Moss, Risk and Contracts Management Manager, has endorsed this method of purchasing and has pledged his support to assist with any special arrangements for method of payment.

Our intent is not to skirt established competitive purchasing guidelines, but to operate with a level of efficiency that dictates sound business practices.

**Council Resolution
Appendix A**

Comparison of Halliday and Associates estimate for obtaining new equipment and the Zoo's for obtaining new and used equipment.

	<u>Item</u>	<u>Halladay Estimate</u>	<u>Zoo's Estimate</u>	<u>Purchase</u>
1	Janitorial/Chemical shelving	\$ 420	\$ 210	Used
2	Cube ice Machine	\$ 4,400	\$ 2,600	Used
3	Dish Dollies (6)	\$ 5,250	\$ 2,800	Used
4	Cup and Glass Dollies (6)	\$ 1,500	\$ 800	Used
5	Scrapping Table	\$ 4,500	\$ 4,500	New
6	Waste Receptacles (7)	\$ 350	\$ 350	New
7	Warewasher	\$19,000	\$ 9,500	Used
8	Clean Dishtable	\$ 2,000	\$ 2,000	Used
9	Pot Washing Sink Table	\$ 2,500	\$ 500	Used
10	Pot and Pan Shelving (4)	\$ 1,000	\$ 600	Used
11	Dry Storage Shelving	\$ 3,400	\$ 1,900	Used
12	Refrigerators (3)	\$16,000	\$ 8,000	Used
13	Veggie Prep Sink	\$ 2,000	\$ 2,000	New
14	Utility Carts (6)	\$ 1,500	\$ 1,500	New
15	Walk-in Cold Storage Rooms (2)	\$16,350	\$14,000	?
16	Refrigeration Systems (6)	\$30,000	\$25,000	?
17	Walk-in Freezer Shelving	\$ 1,500	\$ 750	Used
18	Walk-in Cooler Shelving	\$ 2,460	\$ 1,500	Used
19	Multi-Purpose Racks (6)	\$ 1,500	\$ 1,100	Used
20	Island Work Tables (4)	\$ 7,400	\$ 4,200	Used
21	Food Chopper w/Cart	\$ 6,240	\$ 3,500	Used
22	Ingredient Bins (4)	\$ 600	\$ 450	Used

	<u>Item</u>	<u>Halladay Estimate</u>	<u>Zoo's Estimate</u>	<u>Purchase</u>
23	Mobile Proofing Cabinet	\$ 2,700	\$ 1,600	Used
24	Convection Ovens Double Stack	\$30,700	\$17,000	Used
25	Spreader	\$ 1,000	\$ 1,000	New
26	30 Gallon Tilt Kettle	\$14,225	\$ 6,250	Used
27	High Output Open Burner (4) Range	\$ 2,270	\$ 2,270	New
28	40 Gallon Tilt Skillet	\$10,920	\$ 6,600	Used
29	Bain Marie/Chiller	\$ 2,500	\$ 2,500	New
30	Fryer- 3 comp., no computers or lifts	\$13,000	\$ 7,700	Used
31	6' Cheese Melter	\$ 2,550	\$ 2,550	New
32	6' Griddle	\$ 4,140	\$ 2,200	Used
33	Undercounter Refrigerator	\$ 4,260	\$ 4,260	?
34	Open Burner (6) Range	\$ 2,330	\$ 2,330	New
35	4' Grill (Charbroiler)	\$ 2,300	\$ 1,650	Used
36	Undercounter Refrigerator	\$ 3,534	\$ 3,534	?
37	Refrigerator (Standard 2 door Reach-	\$ 5,670	\$ 2,900	Used
38	Steam Table	\$ 3,300	\$ 1,900	Used
39	Infrared Oven (flashbake)	\$ 2,880	\$ 2,880	New
40	Cook's Freezer	\$ 4,632	\$ 4,632	New
41	Undercounter Refrigerators (2)	\$ 6,840	\$ 6,840	?
42	Refrigerated Wall Display Case	\$ 1,450	\$ 800	Used
43	Pass-through Refrigerator	\$ 7,980	\$ 7,980	New
44	Undercounter Refrigerator	\$ 4,128	\$ 4,128	?
45	Point -of-Sale system	?	?	New
46	2 hole Soup Well	\$ 1,728	\$ 870	Used
47	Undercounter Refrigeration	\$ 3,528	\$ 1,900	?
48	Merchandising Refrigerator	\$ 5,670	\$ 5,670	New
49	Espresso Machine and Grinder	\$ 5,350	\$ 4,000	Used
50	Undercounter Freezer	\$ 1,050	\$ 600	Used
51	Undercounter Refrigerator	\$ 950	\$ 600	Used

	<u>Item</u>	<u>Halladay Estimate</u>	<u>Zoo's Estimate</u>	<u>Purchase</u>
52	Pastry Case	\$ 250	\$ 250	New
53	Refrigerated Deli Case (2)	\$14,000	\$ 8,500	New
54	Receiving Scale	\$ 2,000	\$ 1,200	Used
55	Dry Storage Shelving	\$ 5,760	\$ 3,200	Used
56	Beer Recirculation System	\$16,000	\$14,000	New
57	Walk-in Cold Storage Rooms	\$36,750	\$32,000	New
58	Walk-in Cooler Shelving	\$ 5,820	\$ 3,300	Used
59	Walk-in Freezer Shelving	\$ 2,280	\$ 1,400	Used
60	Banquet Storage Carts (4)	\$13,722	\$ 9,148	Used
61	Walk-in Cold Storage Rooms	\$11,000	\$11,000	New
62	Walk-in Transport Shelving (3)	\$ 1,050	\$ 1,600	Used
63	Walk-in Cooler Shelving	\$ 1,440	\$ 900	Used
64	Wine Transport Shelving	\$ 870	\$ 500	Used
65	Heated Banquet Carts (5)	\$15,000	\$15,000	New
66	Cube Ice Machine (1500lb)	\$ 4,400	\$ 2,600	New
67	Heated Banquet Counter	\$ 5,430	\$ 5,430	New
68	4' Grill (Char Broiler)	\$ 2,300	\$ 1,400	Used
69	40 Gallon Tilt Skillet	\$10,920	\$ 6,800	Used
70	Bain Marie Heater	\$ 588	\$ 588	New
71	Banquet Prep sink Table	\$ 3,100	\$ 3,100	New
72	Undercounter Rolling Ice Bins (3)	\$ 5,520	\$ 1,500	Used
73	Janitorial Shelving	\$ 2,700	\$ 180	New
74	Refrigerator	\$ 4,500	\$ 2,600	Used
75	Banquet Breakdown Table w/Sink	\$ 2,400	\$ 2,400	New

Facilities Management Division

Item	New	Used	Method
Trash Compactor	18-20,000	10,000	Vendor
Quincy Air Compressor	4,600	2,400-3,580	Vendor
Cushman/4 wheel/dump	9,854	5,420	Vendor
Carpet cleaner	5,500	3,900	Vendor
Generator 208 V	11,750	8,900	Vendor