

Report of Joanne Miklo, Head of Business Administration

Report to Helena Philips, Chief Officer Shared Services

Date: 27th August 2014

Subject: Extension of Contract LCC27176 Corporate Furniture

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|--|------------------------------|------|
| Are specific electoral Wards affected? If relevant, name(s) of Ward(s): | <input type="checkbox"/> Yes | N No |
| Are there implications for equality and diversity and cohesion and integration? | <input type="checkbox"/> Yes | N No |
| Is the decision eligible for Call-In? | <input type="checkbox"/> Yes | N No |
| Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number: | <input type="checkbox"/> Yes | N No |

Summary of main issues

1. The current contract with Flexiform, ref LCC27176, for Corporate Furniture is due to expire 30th September 2014 with the option to extend for 2 x 12 month period.

Recommendations

2. It is recommended that the contract with Flexiform is extended for a period of 12 months from 1st October 2014 to 30th September 2015.

1 Purpose of this report

- 1.1 The purpose of the report is to seek approval to extend the contract with Flexiform for the provision of Corporate Furniture for a 12 month period.

2 Background information

- 2.1 The contract with Flexiform was established in 2012 to ensure that the council had corporate provision for a standard suite of furniture as part of the changing the workplace programme.
- 2.2 The contract was established for a 2 year period with the option to extend for 2 x 12 month periods.
- 2.3 It was expected that the contract value over the period would be £2,000,000.

3 Main issues

- 3.1 To retender for a corporate contract so soon after the council have agreed a standard offer of furniture would be time consuming and would not provide adequate time to evaluate the standard products selected and the performance of the current contractor.
- 3.2 From the period 1st October 2012 to 9th May 2014, £803,822 (exc VAT) has been spent with Flexiform which is sufficiently below the anticipated value of spend for the contract.
- 3.3 Over the next 12 month period it is anticipated that the additional spend under this contract will be in the region of the £1.2m taking the total spend close to the anticipated value in 2012.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The CTW project team have undertaken extensive consultation with staff, health and safety representatives and unions with regards to the standard furniture which is now available under this contract and an approved list of furniture is now available.
- 4.1.2 In relation to the extension of this consultation has taken place with the Changing the Workplace Board and council procurement staff. The option to extend for one year with Flexiform was agreed as a pragmatic approach.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An equality impact assessment of the CTW furniture was undertaken by the CTW team in October 2013. A copy of this is available via [this link](#).

4.3 Council policies and City Priorities

The initial procurement exercise was undertaken in line with the councils Contract Procedure Rules in 2012 by the Head of Facilities Management, and allows for the option to extend for 2 x 12 month periods.

4.4 Resources and value for money

- 4.4.1 The contract was awarded taking into account value for money, and gives the option to extend for 2 x 12 month period assuming there have been no significant issues with the suppliers performance. No significant performance has been identified over the period to date therefore it would prove costly to invest in new procurement activity at this time.
- 4.4.2 The discount applied to the standard products by Flexiform is 60% and there have been no price increases over the last 2 years. Current pricing will also be held until 30th September 2015.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This decision will be noted on the forward plan and is subject to call in.

4.6 Risk Management

- 4.6.1 Should this contract not be extended for 12 months there is the risk that there would be no contract in place from October 2014 and the significant work undertaken on standardising office furniture would be wasted as purchases would be made from a variety of sources and would not meet the objective of having standard office furniture when the move to Merrion House takes place in 2017.

5 Conclusions

- 5.1 It is concluded that the contract should be extended for a 12 month period.

6 Recommendations

- 6.1 It is recommended that the contract is extended for a 12 month period from 1st October 2014.

7 Background documents

- 7.1 End Project Report – Standard Furniture Offering.
- 7.2 Report to CTW Board – 19 August 2014.