

Report of Liz Cook

Report to Neil Evans

Date: 26th November 2015

Subject: Tendering of a Domestic Furniture, Soft Furnishings and White Goods Framework Contract

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

Summary of main issues

1. In the financial year 2014/2015 the Council raised orders to the value of £847k for domestic furniture, soft furnishing and white goods all of which was off contract. The primary areas of spend fall into four categories across the Council
 - 1.1. Reused domestic furniture, white goods and soft furnishings,
 - 1.2. New domestic furniture and communal furniture,
 - 1.3. New white goods, and
 - 1.4. New soft furnishings such as linen and curtains
2. A framework has been identified, the Crown Commercial Service (Supply, Delivery and Installation of Furniture and Associated Services) Framework Agreement RM1501 (formerly known as Government Procurement Services), however this does not meet the Councils requirements specifically with regard to domestic furniture. It is therefore proposed to undertake a competitive procurement to develop a Council framework covering the four lots above and secure new suppliers for three years, plus the option to extend for another year.
3. It is recognised that the local third sector re-use organisations offer an important opportunity for the Council to access new items and also low cost re-use goods. The evaluation of the bids will include a quality element to reflect the importance given to the local social, economic and environmental benefits offered by such organisations.

Recommendations

1. The Director of Environment and Housing is recommended:

- To approve the development of a framework consisting of four lots for the supply of reused domestic furniture and white goods, new domestic furniture and communal furniture, soft furnishings and white goods and to undertake a competitive procurement to secure a framework of suppliers for three years, plus the option to extend for another year.

2 Purpose of this report

- 2.1 The purpose of this report is to approve the development of a framework consisting of four lots for the supply of reused domestic furniture and white goods, new domestic furniture and communal furniture, soft furnishings and white goods and to undertake a competitive procurement to secure a number of providers supplier for three years, plus the option of another year

3 Background information

- 3.1 The three main areas where the Council procure domestic furniture, soft furnishings and white goods are;
- 3.1.2 Citizens and Communities – for the Local Welfare Support Scheme (LWSS),
- 3.1.3 Environment and Housing – for sheltered housing projects
- 3.1.4 Adult Social Care – for the respite housing and supporting tenants in their own homes programme, and
- 3.2 The total spend in these areas over the last two years is shown below, please note that although some spend is shown as on contract and off contract there is no contract for the provisions of these type of goods. There is a mis-conception across the authority that spend with the Yorkshire Purchasing Organisation is on contract, however no formal contract is held with this organisation.

2013/2014 Domestic furniture, soft furnishings and white goods

Classification	Total Value	Number of Orders	% of Total Value
Non-Contract	£1,013,246.50	2716	88.08%
Domestic Furniture	£881,848.08	2576	76.66%
Soft Furnishings	£131,398.42	140	11.42%
Off-Contract	£134,680.33	457	11.71%
Domestic Furniture	£125,002.01	445	10.87%
Soft Furnishings	£9,678.32	12	0.84%
On Contract	£1,500.00	4	0.13%
Domestic Furniture	£1,500.00	4	0.13%
On Contract - Quasi	£970.00	2	0.08%
Domestic Furniture	£970.00	2	0.08%
Grand Total	£1,150,396.83	3179	100.00%

2014/2015 Domestic furniture, soft furnishings and white goods

Classification	Total Value	Number of Orders	% of Total Value
On Contract	£268.40	2	0.03%
Soft Furnishings	£257.63	1	0.03%
Domestic Furniture	£10.77	1	0.00%
Non-Contract	£802,070.14	2453	94.70%
Domestic Furniture	£641,550.00	1990	75.75%
Soft Furnishings	£160,520.14	463	18.95%
On Contract - Quasi	£441.85	1	0.05%

Domestic Furniture	£441.85	1	0.05%
Off-Contract	£44,194.50	96	5.22%
Domestic Furniture	£25,122.50	66	2.97%
Soft Furnishings	£19,072.00	30	2.25%
Grand Total	£846,974.89	2552	100.00%

2015/2016 Domestic furniture, soft furnishings and white goods FMS expenditure (to end of June 2015)

Classification	Total Value	Number of Orders	% of Total Value
Non-Contract	£62,454.85	210	90.39%
Domestic Furniture	£40,845.95	142	59.12%
Soft Furnishings	£21,608.90	68	31.28%
On Contract	£289.35	3	0.42%
Domestic Furniture	£81.44	1	0.12%
Soft Furnishings	£207.91	2	0.30%
Off-Contract	£6,348.55	9	9.19%
Domestic Furniture	£1,250.00	3	1.81%
Soft Furnishings	£5,098.55	6	7.38%
Grand Total	£69,092.75	222	100.00%

3.3 The spend in this category falls within four main areas;

3.3.1 Reused domestic furniture and white goods,

3.3.2 New domestic furniture,

3.3.3 New white goods (e.g. fridge, freezer, microwave, cooker etc), and

3.3.4 Soft furnishings (e.g. bedding, curtains, blinds etc)

3.4 All of these items are linked in their procurement by different departments across the authority in as much as goods from all areas are bought at the same time, i.e. when we procure domestic furniture we will often also procure white goods and soft furnishings at the same time. Should we have undertaken separate procurement exercises for each individual area of spend then the work, outputs and resource requirements would be duplicated, it has therefore been decided to undertake a procurement exercise to address all three of these areas of spend at the same time.

3.5 One of the Council strategic objectives for 2015/2016 is to deal effectively with the city's waste (by increasing the amount of waste reused and reduce the amount of waste going to landfill). Following the procurement exercise the use of the new contract will be promoted to all departments across the authority and accessing the contract for reused domestic furniture and white goods will be promoted as the preferred option.

3.6 The council expects that officers involved in procurement activity ensure we purchase goods, works, and services in a socially, environmentally, and

economically responsible way that delivers value for money and benefits not only the council itself but also the city region and its citizens, and wider society. Contracts procedure rules expect officers to consider such matters in all procurements. As such with this procurement exercise social value needs to be considered within the quality criteria to ensure that all tendering organisations can address this important element, specifically in relation to new and reused goods.

Leeds Welfare Support Scheme

- 3.7 The LWSS was approved by Executive Board on 13th March 2013 and this was updated by a report to Executive Board on 17th December 2014. The scheme focuses on vulnerable residents and families.
- 3.8 The main aims of the scheme are:
- 3.8.1 To support homelessness prevention. The scheme needs to work closely with Housing Options and needs to be focused on supporting residents into more permanent accommodation, particularly where there are temporary accommodation costs for the council;
- 3.8.2 To support families with young children, to cope with emergency situations where no other help is possible in the short term. This would be help with white goods, brown goods and fuel and food.
- 3.8.3 To support people with mental health issues at risk of harm or homelessness. The scheme would support referrals made by Adults Social Service's Mental Health services.
- 3.9 The members of Leeds Furniture Re-use Group (LFRG) are Emmaus Leeds (chair), Leeds & Moortown Furniture Store, Revive Leeds, St. Vincent de Paul Society, Safe Haven, SLATE, Sydney Bridge. The aim of the group is to collect unwanted furniture and household items from members of the public and businesses and then make these items available to people in need to help them set up home in an affordable way.

Collectively the LFRG has:-

- 41 full time and 35 part time employees
 - Operates 13. 3.5 tonne collection vehicles
 - Has 20 retail outlets
 - Work to nationally defined procedures relating to the collection and reuse of bulky household waste and WEEE (waste electronic and electrical equipment).
 - Provides volunteering and work experience opportunities to over 181 people per week to help them to improve their lives and future prospects
 - Reuses over 1100 tonnes of furniture per annum
- 3.10 Some of these organisations are able to provide new items, including white goods. The income from this supports their wider aims and objectives to help those in need in Leeds.

- 3.11 Housing Leeds has worked closely with LCC Waste Services to develop processes to intercept re-usable furniture and electrical items left behind in void properties by tenants when they move. This has proved to be very successful and has supplied a large number of items to the members of LFRG. This work has received wide political support e.g. from the Housing Scrutiny Panel in October 2014, due to the wide range of social, environmental and economic benefits that are delivered by LFRG in Leeds.
- 3.12 2013/14 saw the early trial by the LWSS of furniture re-use with LFRG. This has been expanded in 2014/15 to include both furniture and second hand re-useable electrical items. Whilst demand exceeds supply at the moment, the costs are significantly less. In 2014/15 a total of £55k was spent on reused items and the figure predicted for 2015/16 is £150k.
- 3.13 Initial forecasting suggests that sustained use of re-used furniture & electrical items throughout next year will see a reduction in cost in excess of £250k. The Council will work with Emmaus Leeds and LFRG to grow the capacity in this sector to meet demand so there may be some cost to the council.
- 3.14 The scheme currently allows a maximum award value of £300 for single people and £500 for families. Direct award budget funding of £1.1M is forecast in 14/15.

Sheltered Housing Projects

- 3.15 The Council also provides sheltered, care and retirement housing for people who like living independently but need the reassurance of knowing that help is at hand if there is an emergency. There are many different types of sheltered schemes, available both to rent and to buy and these schemes usually consist of between 15 and 40 dwellings. These may be bedsitting rooms, self-contained flats or bungalows. There are often communal facilities such as a lounge.
- 3.16 Older Peoples service housing Leeds has undertaken option appraisals on all its sheltered schemes which highlighted areas of work to be prioritised for the next 4 years budget. This will include upgrading communal areas and furnishing them to provide space for activities and community involvement. There is also a purpose built 45 unit extra care facility due to open August 2016 in Yeadon which will require fitting out and furnishing to a high standard. We also have guest rooms for family to stay at some of our sheltered schemes which need to be upgraded over the next 4 years to ensure that they are at a standard fit for purpose.

Respite Housing

- 3.17 The Valuing People white paper "A New Strategy for Learning Disability for the 21st Century" explains the future of a new modernised day service for people with a learning disability which sees them moving out of segregated setting into a range of community buildings across the city where they are encouraged to take an active part in community life alongside non-disabled citizens, to achieve these outcomes investment is being made across these building to remodel and refurbish community rooms to meet needs and make them fit for purpose.

Other considered options

3.18 There is a Crown Commercial Services Framework in place (RM1501) which has a lot relating to domestic furniture. Upon identifying the specific requirements for the Council within this procurement exercise it was noted that Lot 2 of this framework, which is for domestic furniture, did not meet these. None of the organisations within the framework were able to provide re-used furniture and white goods, new white goods nor soft furnishings. The new domestic furniture highlighted in the specification on this framework did not provide the goods that would meet the specific requirements for respite care nor sheltered housing schemes. It was therefore felt that the use of this framework would restrict the Council in obtaining organisations that could meet its requirements across all the lots within this procurement exercise. All four organisations within the framework are registered suppliers on YORTender so when the whole of this procurement is advertised these organisations will be notified and will be able to submit a tender, however it is considered that opening up this tender exercise beyond these four organisations will deliver better quality that meets the exacting criteria around quality, speed of availability and cost.

3.19 Timescales for delivering this project;

Scoping	Start	End
Collating requirements from Services	10/06/2015	20/07/2015
Updating category plan	20/07/2015	20/07/2015
Completing business case	20/07/2015	15/08/2015
Obtaining approval of business case	18/08/2015	30/11/2015
DDN signed	30/11/2015	07/12/2015
Planning		
Complete procurement plan	20/07/2015	20/07/2015
Decision to procure on forward plan	18/09/2015	01/11/2015
Refresh business case	07/12/2015	18/12/2015
Tender process		
Draft tender documents	07/12/2015	21/01/2016
Draft pricing mechanism and model	07/12/2015	21/01/2016
Draft tender evaluation criteria	07/12/2015	21/01/2016
Place tender on YORTender and invite interest	01/02/2016	01/02/2016
Evaluation		
Update procurement management documents	18/09/2015	01/02/2016
Respond to clarifications	01/02/2016	07/03/2016
Vet responses	09/03/2016	11/03/2016
Tender evaluation	14/03/2016	25/03/2016

Clarify issues	14/03/2016	25/03/2016
Produce report for award	28/03/2016	01/04/2016
Draft contract management plan	18/01/2016	01/04/2016
Contingency	04/04/2016	08/04/2016
Award		
Advise bidders of outcome	11/04/2016	11/04/2016
Award contract	20/04/2016	20/04/2016
Update systems (YORTender, FMS etc)	20/04/2016	20/04/2016
Feedback to bidders	11/04/2016	20/04/2016
Contract Management		
Mobilisation	11/04/2016	29/04/2016
Contract start date	20/04/2016	20/04/2016

4 Main issues

- 4.1 The current council spend on domestic furniture, soft furnishings and white goods is all off contract, although for reporting purposes a “quasi contract” for white goods exists with the Yorkshire Purchasing Organisation.
- 4.2 There is a projected spend on furniture, white goods and soft furnishings over the coming year of approximately £1,370,000 per annum
- 4.2.4 LWSS - £1,100,000
- 4.2.5 Environment and Housing Sheltered Schemes - £120,000
- 4.2.6 Adult Social Care respite and supported housing - £100,000
- 4.2.7 General costs across the Council (assuming a similar spend as in previous financial years) - £50,000
- 4.3 There are a number of suppliers for all of these services and there are specific requirements especially with regard to domestic furniture from all departments across the authority it is therefore proposed that a framework is developed and that the Council have a number of suppliers on this framework. The four lots to be included in the framework would address the following areas;
- 4.3.8 Reused domestic furniture and white goods £330,000 (24%),
- 4.3.9 New domestic furniture £175,000 (13%),
- 4.3.10 New white goods £810,000 (59%), and
- 4.3.11 New soft furnishings £55,000 (4%).

- 4.4 The creation of the framework will ensure that there is a standard offering for all goods, the specification will be determined by the main procurers within Citizens & Communities, Adult Social Care and Environment & Housing. By bringing these procurements onto a contract this will deliver savings to the Council and also allow more customers to be brought into the scheme and the improvement of facilities for residents in respite housing, those being supported in their own homes and sheltered housing schemes.
- 4.5 To ensure that the social and financial benefits of the supply of new and reuse items by the local third sector re-use organisations are maintained, it is recommended that the evaluation process will include a quality element of up to 50% of the total score.
- 4.6 A minimum scoring threshold will be included for all lots, whereby bidders are required to demonstrate how their service can contribute to Leeds-based social, economic and environmental benefits e.g employment, training, volunteering opportunities, re-use of household furniture and electrical goods, etc.

5 Corporate Considerations

5.1 Consultation and Engagement

- 5.1.1 Consultation and engagement has taken place with the representatives from Citizens and Communities (Welfare and Benefits), Adult Social Care (Access and Care Delivery), Environment and Housing (Older Person and Sheltered Services & Waste Strategy and Infrastructure) and Strategy and Resources (PPPU).
- 5.1.2 The evaluation panel for the procurement will include the following primary stakeholders:
- A representative from C&C Welfare and Benefits – due to their specific requirement in this category
 - Business Change Lead ASC Access and Care Delivery – due to their specific requirement in this category
 - Housing Manager E&H Older Person and Sheltered Housing – due to their specific requirement in this category
 - Waste Strategy and Infrastructure – with regard to the work they are undertaking with recycling and re-use
 - Project Manager S&R PPPU – to provide support through the procurement process

5.2 Equality and Diversity / Cohesion and Integration

- 5.2.1 The tender documentation will contain sections to ensure that furniture that is made available is adaptable to meet the needs of all customers and schemes.
- 5.2.2 An equality risk assessment will be undertaken during the development of the furniture catalogue and is referenced to in the specification.

- 5.2.3 The procurement process itself does not present any equality and diversity issues. However a full equality impact assessment for the procurement project has been undertaken and is available on request.
- 5.2.4 Where a customer has specific requirements regarding the purchase of goods to address a specific need, advice is sought from an independent body to ensure that the appropriate furniture is sourced for that particular customer.
- 5.2.5 An equality impact screening assessment has been undertaken for the LWSS.

5.3 Council policies and City Priorities

5.3.1 The areas that this procurement exercise will address within the Best Council Plan 2013-2017 are:

- Achieve the savings and efficiencies required to continue to deliver front line service.
- Becoming a more efficient and enterprising Council.
- Supporting communities and tackling poverty
- Dealing effectively with the city's waste (by increasing the amount of waste reused and reduce the amount of waste going to landfill).

5.4 Resources and value for money

5.4.1 The procurement will demonstrate value for money by ensuring best value on pricing is obtained and will lead to procurement savings by minimising off or no contract spend.

- An open competitive exercise is being undertaken to ensure best value and local social, economic and environmental benefits

5.4.2 The specification looks to include:

- The option to provide reused domestic furniture and white goods which has been demonstrated to provide better value for money over new goods;

2013/14 saw the early trial of furniture re-use with the Leeds Furniture Re-use Group headed by Emmaus Leeds. This has been expanded in 2014/15 to include both furniture and second hand re-useable electrical items. Whilst demand exceeds supply at the moment, the costs are significantly less. An example below being of some recent purchases in 2014:

Item	No. ordered	Cost of reuse	Cost of new	Savings using reuse	% saving
Fridge	6	£415.00	£720.00	£305.00	42.36%
Fridge freezer	5	£430.00	£1,150.00	£720.00	62.61%
Washing Machine	13	£1,575.00	£2,860.00	£1,285.00	44.93%
Dryer	2	£110.00	£460.00	£350.00	76.09%

Beds / Seating	40	£3,520.00	£7,000.00	£3,500.00	50.00%
Totals	66	£6,050.00	£12,190.00	£6,160.00	50.53%

5.4.3 The resources for this procurement process will be supplied by the Public Private Partnerships Unit and Procurement Unit, with support from other colleagues in the Council as necessary.

5.5 Legal Implications, Access to Information and Call In

5.5.1 The Chief Procurement Officer has advised that permission to use a non-approved framework is now made direct to the Relevant Chief Officer. Thus, there is no longer a requirement to seek the comments of the Procurement Unit and Internal Audit before submitting the report to the relevant Chief Officer (CPR 3.1.8).

5.5.2 This decision is a Key Decision and is subject to Call In.

5.6 Risk Management

5.6.1 The Project Manager has established a risk register and the following key risks have been identified:

- No framework is developed for the provisions of reused furniture and white goods, domestic furniture, white goods and soft furnishings meaning all spend in this area remains non contract and no savings can be garnered by the authority.
- There is a delay in the development and procurement of the framework which means the Council does not realise the savings this can generate in a timely manner.
- A single supplier may not have the capacity to deliver the amount of furniture required to deliver the amount, range and suitability of furniture required to the specific timescales required by the authority.
- The vulnerability of clients' needs are not recognised.
- Service level agreements developed as part of this framework and entered into at the award of the tender are not adhered to.
- The local third sector re-use organisations are excluded from the framework and so the supply of low cost re-use is no longer available.

5.6.2 The Risk Register will be managed throughout the lifetime of the procurement by the Project Manager.

6 Conclusions

6.1 The council is planning to spend in region of £1.37M over the next year on reused domestic furniture and white goods, domestic furniture, white goods and soft furnishing and no contract is in place to procure these goods.

6.2 It is proposed that the Council develop a framework of suppliers for these goods to ensure that the Council can benefit from the savings that this type of framework can deliver.

7 Recommendations

7.1 The Director of Environment and Housing is recommended:

- To approve the development of a framework consisting of four lots for the supply of reused domestic furniture and white goods, new domestic furniture and communal furniture, soft furnishings and white goods and to undertake a competitive procurement to secure a framework of suppliers for three years, plus the option to extend for another year.

8 Background documents¹

8.1 [A New Strategy for Learning Disability for the 21st Century](#)

8.2 [Local Welfare Support Scheme \(LWSS\) 2013](#) (see pages 393 - 407)

8.3 [Local Welfare Support Scheme \(LWSS\) 2015/16](#) (see pages 129 – 146)

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.