

Report of Deborah Chapman

Report to Chief Officer Shared Services

Date: 23rd May 2017

Subject: Re-tendering of Supply of Office Furniture and related design and installation services framework

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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The existing contract for the supply of Office Furniture was awarded to Triumph Ltd on 1st November 2015 for a period of 36 months. Due to ongoing performance issues, the Council and Triumph Ltd came to a mutual agreement that the contract will be terminated in accordance with Clause 23.5 which states "Termination without Cause". Written notification giving 30 working day's notice of termination was issued on 16th May 2017.
2. On 20th October 2016 it was approved by the Deputy Chief Executive that the Council undertake a tendering process for a new framework for the supply of office furniture.
3. This competitive procurement exercise has now been completed and the winning tenderer was Flexiform Business Furniture Ltd.

Recommendations

4. The Chief Officer Shared Services is recommended to:
 - Approve the award for the supply and delivery of office furniture and related design and installation services to Flexiform Business Furniture Ltd following a competitive procurement exercise for two years to June 2019, plus the option of another 2 x 12 months extensions to June 2021.

1 Purpose of this report

- 1.1 The purpose of this report is to obtain approval to award the framework to Flexiform Business Furniture Ltd as the Council's supplier of office furniture following a competitive procurement and to provide information to support the decision.

2 Background information

- 2.1 The existing contract was awarded to Triumph Ltd on 1st November 2015. Unfortunately due to performance issues, the Council and Triumph Ltd came to a mutual agreement that the contract be terminated under Clause 23.5 "Termination without Cause".
- 2.2 A new supplier was therefore required as the Council continues to support a large agenda of change which requires the provision of modern and flexible office accommodation with the continued methodology of new ways of working to enable the workspace to be used more efficiently resulting in the reduction of office accommodation required by the Council.
- 2.3 As there would potentially be no provision for the council to purchase office furniture via a contract, initially a YPO Framework was assessed to see if it could meet the Council's requirements under an existing framework arrangement. However, after further investigation it was decided that neither the YPO or any other frameworks currently available were suitable, therefore a full OJEU tender exercise was undertaken.
- 2.4 The Changing the workplace Programme continues throughout 2017/2018 and this includes the procurement of new furniture for some city centre accommodation, including the major new Merrion House refurbishment. It is anticipated that the value of this furniture contract is likely to be in the region of £1.3M per year, with an estimated total contract value, including extensions (if any) circa £5.5M
- 2.5 To reduce costs, furniture that has already been procured will be re-cycled where ever possible from buildings that the Council does not intend to retain in its portfolio.

3 Main issues

- 3.1 The current contract with Triumph Ltd has been terminated by mutual consent and will cease on 26th June 2017, therefore the council will have no office furniture framework after this date until the new one is awarded.
- 3.2 During the delivery of the Changing the Workplace Programme the performance of the current provider was monitored and the primary areas of concern were found to be around the quality of the products and the lack of designated key personnel to assist with the design and delivery of projects.
- 3.3 To ensure the new framework is fit for purpose, the specification for this new tender has been revised to specifically address the following:

- The ability to manage various projects which vary in size and scale
- The ability to interface and work collaboratively with the Council
- The ability to demonstrate a high quality design service which addresses accessibility and inclusive design principles

3.4 In addition, the quality of standard items has also been revisited e.g. the workstation chair was to be fully adjustable, the desk cabling contained but accessible etc.

3.5 To address these quality issues the tender evaluation criteria were adjusted to a 40:60 quality/price ratio. The tender evaluation methodology was also reviewed and revised and a stringent 70% minimum quality threshold introduced.

3.6 Three tenders were received by the deadline, and following the desktop evaluation it was apparent that only one of the tenders satisfactorily met the minimum quality threshold.

3.7 As part of the evaluation, the evaluation panel visited the preferred tenderer's site where a model office was set up to demonstrate the look/feel and quality of the standard furniture specified to determine the quality and this was given a weighting of a maximum of 95 points out of a total maximum of 400 points overall for quality.

3.8 The combined quality/price scores concluded that Flexiform Business Furniture Limited presented the most economically advantageous tender.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Consultation and engagement has taken place with the Head of Programmes, the Changing the Workplace Programme Team (who have maintained an issues log and a lessons learnt log with regard to the furniture contract) Health and Safety representatives, Head of HR and Disabled Staff Network representatives.

4.1.2 The evaluation panel for the procurement included the following stakeholders:

- The Assistant Head of Business Administration.
- The Changing the Workplace Programme Team – this team have placed most of the monetary value under the current framework. The team also defined the furniture catalogue and developed the standard offering following extensive consultation via the Changing the Workplace Programme Board. The team have also monitored the performance of the current provider along with the Head of Business Administration and have identified areas of improvement which have been addressed in the initial tender process and the development of the new agreement.
- Health & Safety – to ensure that the furniture available to the Council through this procurement reflects the needs of Leeds City Council employees.

- Disabled Staff Network – to ensure that the furniture available to the Council through this procurement reflects the needs of Leeds City Council employees where adaptations to standard offerings are required.
- The Head of HR and the Accessible lead HR officer – to ensure the furniture and design services available, are compliant with the Accessible Office guidance and reflects the needs of all Leeds City Council employees.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The tender documentation contains sections to ensure that the furniture is made available which is adaptable to meet the needs of all staff e.g. highly adjustable workstation chairs, height adjustable workstations etc.
- 4.2.2 The tender documentation is also specific in terms of taking into account guidelines in ‘The Accessible Office’ (2005) and BS8300:2009 (Annex B) and the Guide to Ergonomic principles in the design and selection of office furniture BS3044:1990 to support compliance of the Accessible Office principles as endorsed by the Changing the Workplace Programme Board.
- 4.2.3 The procurement process itself does not present any equality and diversity issues, however, an equality impact assessment for the procurement project has been undertaken and is available on request.

4.3 Council policies and City Priorities

- 4.3.1 The areas that this procurement exercise will address within the Best Council Plan 2015 – 2020 are:
- Achieve the savings and efficiencies required to continue to deliver front line service.
 - Becoming a more efficient and enterprising Council.
- 4.3.2 The tender sought to support the following Council policies:
- Vision for Leeds 2011 – 2030
 - The Best Council Plan 2015 - 2020
 - Clear Desk & Screen Policy
 - Information Sharing Protocol
 - Equality and Diversity Policy 2016
 - Integrating Diversity and Inclusion into the Built Environment

4.4 Resources and value for money

- 4.4.1 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 non contract spend.
- 4.4.2 The new framework has been revised and now includes:

- The option to pay by purchasing card to continue to increase the rebate that the Council currently receives.
- An option to allow ordering online direct from the successful tenderer which reduces duplication and resources associated with traditional invoicing and payment processes.
- The provision of a professional design service of office layouts which reduces the need for our internal service design team.
- Competitively tendered rates for a list of the Council's core products as well as a percentage discount off catalogue prices and further discounts for volume.
- Further discounts for early payment (0.5% for payment within 5 working days; 0.25% for payment within 20 working days).

4.4.3 The resources for this procurement process were supplied by the Projects, Programmes and Procurement Unit, with the support of other colleagues in the Council as necessary.

4.5 Legal Implications, Access to Information and Call In

4.5.4 Approval to procure under CPR3.1.8 was obtained in October 2016 (as a key decision) and the framework has been procured through a fully compliant EU tendering procedure under the Public Contracts Regulations 2015 (Open Procedure).

4.5.5 The decision to award the framework agreement is a Strategic Operational Decision and will need to be published through Corporate Governance (but will not be subject to call-in)

4.6 Risk Management

4.6.1 If the new framework is not in place by 30 June 2017 the Council will not have the opportunity to identify any early issues prior to a major furniture order being placed for the refurbished Merrion House.

4.6.2 Furthermore, it is important to ensure that a Contract Management Plan is agreed with the new supplier as soon as possible to ensure that performance is satisfactorily monitored and any issues properly addressed.

4.6.3 If the new framework is not in place by 30 June 2017 it will give the Council a very limited or no lead in period to work with the supplier and build relationships prior to the major order being placed for the Merrion House refurbishment.

4.6.4 Any delay in awarding the framework will also result in an increase in non-contract spend and will put the delivery of the refurbished Merrion House at risk.

5 Conclusions

5.1 The evaluation panel has concluded that the tender submitted by Flexiform Business Furniture Limited represents the most economically advantageous tender, taking into account both quality and price.

6 Recommendations

6.1 The Chief Officer Shared Services is recommended to approve the award of the framework for the Supply and Delivery of Office Furniture and related design and installation services to Flexiform Business Furniture Limited.

7 Background documents¹

7.1 Background documents are available if required.

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.