

**Report of Chief Officer Shared Services
Report to Director of Resources and Housing**

Date: 5th June 2019

Subject: The award of a 24 month contract extension for the provision of office furniture and associated design and implementation services to Flexiform Business Furniture Limited.

Are specific electoral wards affected? If yes, 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 type="checkbox"/> Yes <input checked="" 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? 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 council awarded a contract for the provision of office furniture and related design and installation services following an OJEU tender exercise to Flexiform Business Furniture Limited (Flexiform) for a period of 2 years with effect from 19th June 2017, with the provision for an extension for a further 24 months.
2. As the current contract term is due to end on 19th June 2019, approval is hereby sought to take up the provision to extend the current contractual term for a further 24 months until 19th June 2021.

Recommendations

It is recommended that the Director of Resources and Housing approve the take up of the additional 24 month provision permitted within the contract terms and extend the existing contract with Flexiform for the supply of office furniture together with related design and installation services until 19th June 2021.

1. Purpose of this report

- 1.1 This report is to provide the Director of Resources and Housing with the relevant information regarding the contract with Flexiform and to seek their approval to activate the extension provision on the current contract with Flexiform for the provision of office furniture and related design and installation services for a further 24 months until 19th June 2021.

2. Background information

- 2.1 Following a full OJEU tender exercise the council awarded a 2 year contract to Flexiform to supply the Council with office furniture, including task chairs, desks, storage units, meeting room furniture and any other items of office related furniture or equipment deemed required.
- 2.2 A key aspect of the contract was also the provision of a design and installation service to support the Change in the Workplace programme (CtW) with major projects to upgrade the Council's key city centre office accommodation and to create office environments that support modern and inclusive ways of working that make the best use of the limited space available.
- 2.3 The initial 2 year term of the contract is due to come to an end on 19th June 2019.
- 2.4 The contract contains a provision to extend the term for 2 x times 12 months and this report seeks the approval to activate these options together and extend the existing contract for 24 months until June 2021.

3. Main issues

- 3.1 Through CtW the council has undertaken a major programme to change the way in which it works across its city centre office locations, to reduce the number of office sites that it occupies and upgrade its remaining core city centre locations to creating modern and inclusive workspaces with a corporate look and feel.
- 3.2 An integral aspect in the procurement of a suitable supplier of office furniture was their ability to support the CtW programme to deliver on major projects including the fit out of the newly developed Merrion House and the modernisation of the office spaces at the Civic Hall. To that end key aspects were built in to the specification to 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.
- 3.3 Flexiform were awarded a year contract effective from 19th June 2017 with options to extend for a further 2 x 12 months.
- 3.4 Since the start of the contract the supplier has helped to deliver on the furniture design and installation of all 10 floors at Merrion House. Developing, in collaboration with the Council's CtW team, modern work environments that are inclusive and accessible for all the staff that need to use them. They have also supported the ongoing upgrade of office accommodation at the Civic Hall, again creating modern

and inclusive workspaces in a classic and traditional local government office. In addition they have supported further similar upgrades to other key sites at St George House and Enterprise House.

- 3.5 Going forward there is an ambition to further develop and roll out the CtW principles across other locations with a further review of the accommodation in use to identify opportunities to rationalise the accommodation in use and modernise key sites.
- 3.6 As well as supporting the CtW programme the contract also supports the Community Hub project providing office related furniture, design advice and implementation for the programme works being undertaken to re-develop and re-fit the community hubs. The main one being the central Hub located at Merrion House.
- 3.7 The contract also provides a catalogue of suitable furniture products that have been selected to meet the new standards for office furniture that CtW has developed and includes key products such as a standard high quality task chair; a specialist task chair, providing additional support and adjustment where needed; sit/stand desks, monitor arms and storage solutions suitable for each service area.
- 3.8 A corporate purchasing card has been lodged with the supplier to ensure payment is made promptly and to take out the need to raise orders in FMS or to process invoices related to the payments.
- 3.9 Based on the performance of the contractor and the ongoing review of the CtW programme it is felt that it would be in the best interests of the Council to take up the options on both the 12 month extensions available under the contract at this time and extend the current contract with Flexiform to June 2021.
- 3.10 In taking a 24 month extension on the exiting contract the Council will ensure that it has the ability to build on the strong relationship that it has developed with the supplier, ensuring a continuity of design and supply of goods, together with a clear indication of the costs associated with any further CtW projects for the next 2 years.
- 3.11 The contract supports greater compliance with the Council's CPRs as the spend on the majority of the office furniture is now managed through a single approved contracted supplier, ensuring the furniture being purchased is of the appropriate standard and fits the corporate style that has been developed.
- 3.12 Since the start of the contract the spend with Flexiform totals £3.7m which includes the costs associated with the furniture fit out of Merrion House, The Civic Hall and St George House.
- 3.13 The value of the contract over the next 24 months is very much dependent on the roll out of the CtW Phase 2 programme and the delivery of the Community Hub Phase 3 programme over this timeframe. At the current time CtW Phase 2 is still in the planning stage but will initially focus on maximising the capacity of the city centre estate by relocating staff to work alongside colleagues in fit for purpose, high quality office accommodation. Additional furniture will be required over the next 6 months to enable these moves and is estimated to be c.£100K. Following these moves the CtW Phase 2 programme will focus on the office accommodation in the localities it is estimated furniture required will be c.£500K to support these moves. This will enable the colocation of staff into fit for purpose accommodation which supports new ways of working and will reduce the asset estate footprint currently occupied. The Community Hub Programme is in the Phase 3 of delivery. The refurbishment programme will continue throughout the 24 months of the Flexiform contract.

- 3.14 The spend on the contract outside the CtW programme relates in the main to supporting services to address requirements of staff where additional/ specialist furniture and equipment is needed to make reasonable adjustments where these are identified or where recommendations are made following a health related assessment. As a consequence this spend is demand led and based on the spend over the 2 previous years, coupled with any other ad hoc requests for office related furniture, is estimated to be £225k per year.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 In consideration of extending the existing contract the Head of Facilities Management and the officers leading the CtW programme, via City Development Project Support Officer, have been consulted and have expressed their support for the contract to be extended and their views reflected in this report.
- 4.1.2 The views of Procurement and Commercial Services Procurement Manager with regard to activating both 12 month extensions are that it represents a minimal risk and is an acceptable approach provided that the decision is justifiable and represents value for money.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The contractor, in their work with the CtW programme, have engaged with the members from the Disability and Wellbeing Network to address issues and concerns and to seek solutions that ensure that the furniture and equipment that is being purchased is suitable, that it supports the different needs of our workforce and ensures the work spaces that we have developed through CtW are inclusive and accessible to all.
- 4.2.2 An Equality Impact Screening assessment has been undertaken on the proposal to extend the contract and this identified there was no impact on equality, a copy is attached.

4.3 Council policies and best council plan

- 4.3.1 The contract is integral the CtW programme and its ability to deliver on the benefits of modernising the Council's office workspace environments and reducing the office accommodation requirements.
- 4.3.2 The approach to centralising the contractual arrangements and management of furniture procurement supports better compliance with the Council's CPRs.

4.4 Resources and value for money

- 4.4.1 The CtW programme has delivered a reduction in the city centre office accommodation being used by the Council, which in turn has resulted in a reduction the accommodation associated costs.
- 4.4.2 By ensuring that the contract arrangement for office furniture supplies incorporates a design and installation element, the council has been able to work closely with a single supplier to ensure that the strategically important project of redeveloping and fitting out of Merrion House was completed on time.

- 4.4.3 The development of a furniture catalogue with the supplier for services call off has ensured that when services are purchasing office furniture items, which sit outside of the CtW programme, that the items being purchased are in line with the established CtW standards, ensuring they are fit for purpose, covered by the same quality guarantees and readily transferable should the need arise.
- 4.4.4 By moving ordering on to an intranet catalogue and payment on to a purchase card, this has removed the cost of raising orders in FMS, processing invoices for payment and ensured that the council benefits from the purchase card rebate that these payments attract.

4.5 Legal implications, access to information, and call-in

- 4.5.1 As the estimated spend over the next 24 months will be over £250k per year the decision to extend the contract is a key decision and subject to call in.
- 4.5.2 The intention to take the decision to extend current contract with Flexiform was placed on the ‘list of forthcoming decisions’ on 8th April 2019.

4.6 Risk management

- 4.6.1 If the extension is not taken up then the Council will need to enter into a procurement process to seek a new provider. In the meantime there would be no contractual provision for furniture to support any further roll out of CtW, which would therefore delay considerably any planned activity until a sustainable contract could be put in place, which in turn could impact on any potential saving that may have been identified.
- 4.6.2 Where a service has a need to purchase furniture items such as task chairs, there would be no corporate contract for them to access. As such any orders would be placed off contract and the purchases may not meet the established CtW standards, may not be fit for purpose and ultimately be more expensive.

5. Conclusions

- 5.1 It is felt that by extending the contractual arrangements in accordance with the provisions made in the existing contract and taking up both of the options for a 12 month extension together and thereby extend the contract by 24 months, is seen as the best approach to ensure the continuity of supply of products, at a fixed known cost, to support the ongoing CtW programme.

6. Recommendations

- 6.1 It is recommended that the Director of Resources and Housing approve the take up of the additional 24 month provision permitted within the contract terms and extend the existing contract with Flexiform for the supply of office furniture together with related design and installation services until 19th June 2021.

7. Background documents¹

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.

7.1 None.