



Report of Head of Facilities Management

Report to Director of Resources

Date: 18th May 2021

Subject: To award a contract under the Council's Office Furniture Framework Agreement and to vary the specification

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open 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: 1	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary

1. Main issues

- The Council extended its framework agreement with Flexiform Business Furniture Limited (Flexiform) for the supply and delivery of office furniture and related design and installation services from June 2019 for 24 months.
- Due to the pandemic and lack of clarity surrounding the future of the workplace a new call-off contract from the Council's current framework agreement with Flexiform is deemed the most appropriate route, rather than a procurement exercise. This will allow the Council to progress its initial phased remodelling of the Council's estate and making a variation to the specification will ensure the Council has aesthetic continuity of design and the ability to reuse and repurpose the large amount of furniture (value of approximately £4m) with Flexiform. The variation will also ensure the Council is meeting its requirement to provide accessible furniture for all staff with any specialist furniture recommended through Access to Work ordered elsewhere as required. It is estimated that spend in the next 18 months will be in the region of £1m.
- The new call-off contract will cover all proposed spend on office furniture between June 2021 and June 2022, with an option to extend to December 2022. A new procurement exercise will need to begin in December 2021 to ensure a new contract is in place for December 2022.

- Our current provider will increase prices by 8 percent from June 2021. Flexiform have not increased prices during the life of the contract and have absorbed price increases from their suppliers of 3-4 percent annually since 2017.

2. Best Council Plan implications (see the [latest version of the Best Council Plan](#))

- The contract is integral to the Changing the Workplace (CtW) programme and its ability to deliver on the benefits of modernising the Council's office workspace environments and reducing the office accommodation requirements.

3. Resource implications

- The next procurement exercise will be led by Facilities Management and the Head of Facilities Management will manage the furniture contract going forward. Support with the ordering of furniture will still sit with Business Support Services.
- Feedback from staff will need to be gathered to inform the new procurement and resources from Health and Safety and HR to support the process.
- A programme of estate rationalisation and remodel will be required before going out to tender.

Recommendations

- a) The Director of Resources is recommended to approve the award of a call-off contract to Flexiform Business Furniture Limited (Flexiform) under the council's framework agreement for the supply and delivery of office furniture and related design and installation services and to vary the specification to include additional items of furniture. The value of the new call-off contract is anticipated to be in the region of £1m (including the extension period). The contract will commence on 14th June 2021 and expire on 13th June 2022. There will be one 6 month extension option.
- b) The Head of Facilities Management will be responsible for implementing the decision as soon as call-in has expired.

1. Purpose of this report

- 1.1 To provide the Director of Resources with up to date information regarding the contract with Flexiform in order to make a direct award under the Council's current office furniture framework agreement, and to make a variation to the specification in order to ensure the Council is meeting its objective of providing accessible furniture for all staff. It is estimated that spend in the next 18 months will be in the region of £1m.

2. Background information

- 2.1 Leeds City Council (LCC) has a furniture framework agreement with Flexiform Business Furniture Limited. This framework agreement began in June 2017 with the contract extended by 24 months in June 2019.

2.2 The current arrangement with Flexiform has worked well in terms of their delivery/service performance and the quality of goods received since the framework agreement was awarded in June 2017. LCC has its own furniture catalogue on InSite with a core list of products that restricts services purchasing anything they want from the furniture provider. Anything requested outside of the catalogue is challenged by Business Support in order to ensure furniture remains consistent. This is to ensure anything purchased can be relocated and reused in other buildings if required. This approach has worked well during the life of the current contract and most recently furniture has been removed from St George House (as part of the decision to lease the building) and used in Adams Court and Apex Centre.

3. Main issues

3.1 The COVID-19 pandemic has led to the acceleration of the council's estate rationalisation programme and an acceleration of the Council's Changing the Workplace programme. As some 8,500 staff became permanent homeworkers, surveys conducted by HR in June 2020 confirmed that the majority of staff wish to spend more time at home, only utilising office space 2-3 days per week at the most. This has led to the need for a programme of works to remodel the retained estate and introduce a higher proportion of collaborative working spaces instead of desks.

3.2 Pilot collaboration spaces have been created in several buildings and the feedback from staff will need to be collated in order to inform the next procurement for furniture. Although some collaboration furniture was ordered for Merrion House this mainly comprised of benches with seating and a relatively small number of meeting booths and sofas.

3.3 A further survey surrounding the future of work has been issued to all staff with the results due to be analysed in early May 2021. A corporate message and toolkit has been disseminated from the Chief Executive for senior managers to have discussions with their teams. With staff not being asked to return to the office until the 21st June 2021 and the summer holiday, where people will be taking annual leave, it is anticipated that no significant evidence surrounding how staff are working will be gathered until September 2021.

3.4 Developing a programme for estate remodelling and establishing how we want to work as an authority in the future before going out to procurement will ensure best value. What the future office will look like will require some trial and error and feedback from staff as they begin to return to the office. Due to the large amount of uncertainty it was felt that it was not the right time to go out to procurement and it is unclear what products and volumes of furniture we will require over the next 12 months and beyond. To go out to procurement would not give us best value without that information and it is therefore recommended that we award a new call-off contract, with some variations made to the specification.

3.5 Although there is a desire to create more collaboration spaces and include better technology to support hybrid meetings it is still unclear what we mean by collaboration space and the appropriate size and location of these spaces. The award of an extension will give the Council time to make fully informed decisions about a new furniture offer and potential changes such as new fabrics with increased antimicrobial properties. As well as lighter movable furniture to ensure spaces can be multi-purpose.

- 3.6 Early feedback from the staff surveys is that staff feel they no longer need a locker so the reduction of the amount of lockers in offices will mean there is unlikely to be a requirement to purchase any new lockers (unless specialist or cycle) in the future. There is the option to convert our existing lockers into digital or smart lockers and by varying the contract with Flexiform we have more options to modify their furniture and trial something different. We also have the option of adding acoustic panels to the back of existing furniture such as lockers and mid height tambour units. This option will be significantly more cost effective than ordering large free standing, wall mounted or ceiling suspended acoustic panels that are usually bespoke to each individual office and very costly. Other options for reusing and repurposing existing furniture is adding planters to our mid height storage units, changing the inside shelving for hooks for coats and bags and using them as stand up work areas.
- 3.7 As we reduce the office estate and remove desks from sites to create collaboration space we will be able to ensure that the sites remaining have height adjustable desks. As a large portion of the estate has Flexiform desks it will be easier and more cost effective to reconfigure layouts and add in desks from other sites where required.
- 3.8 Flexiform have currently provided a small number of collapsible desks for homeworkers and can source lockable storage units for homeworkers as required. Based on consultation there is no appetite to provide a homeworking offer and our current standard office chair has been issued to staff with desk being provided on an ad-hoc basis. A lockable storage option and homeworking desk should be varied into the contract and further work is required with Health and Safety to agree the most appropriate items.
- 3.9 Feedback on furniture contained in the existing framework means it would be appropriate to order some different soft seating over and above what has been ordered previously. It is recommended that any sofas ordered should be high back modular sofas from the “away from the desk range” a limited number of options will be selected from the supplier. This is a tried and tested range of furniture used by many other public organisations and has been ordered for the Community Hubs. The away from the desk range is modular and is easier to move around within or between buildings. The collaboration booths are larger and more accessible than the ones ordered previously and will be more suitable for housing AV equipment and being made bookable for hybrid meetings. Flexiform are a local company and have more recently begun manufacturing a higher proportion of their own furniture. Some items we purchased from their supplier Orangebox are now being manufactured by Flexiform such as the “Miss” chairs in Appendix 1. The items to be varied into this contract have been ordered for Apex Centre and feedback from staff will determine if these items are ordered for other sites over the next 12 months.
- 3.10 By varying the existing framework specification, the Council will ensure that it is meeting accessibility requirements for all staff. The items which are to be varied into the specification are listed in Confidential Appendix 1, and these items will replace existing items on the specification.
- 3.11 By continuing to use Flexiform as the Council’s furniture provider, we will be able to repurpose existing furniture which will deliver efficiencies compared with buying new furniture from an alternative provider.

3.12 The value of the new call-off contract and variation includes any spend on office furniture between June 2021 and December 2022 including any projects already approved such as the new depot at Pontefract Lane, any upcoming Community Hub projects and any planned office refurbishments as part of the Community Hub programme, estate rationalisation and remodel programme such as Adams Court, Civic Hall and Merrion House. The current furniture quote for the new depot is £163,000 and although desks and lockers can be reused from other sites the cost of collaboration furniture and price uplift (dependent on the final design) may increase this to c£200,000.

3.13 Corporate considerations

3.14 Consultation and engagement

3.14.1 Consultation is ongoing with Human Resources (HR), Health and Safety and the Council's Access Officer regarding the variation and the future procurement.

3.14.2 Consultation has been undertaken with procurement officer regarding the contract variation and the call-off contract.

3.14.3 Consultation has been undertaken with the Head of Asset Management regarding the value of the call-off contract and variation and future programme of spend on office furniture.

3.14.4 HR are currently in consultation with Trade Unions and the future world of work. The results of these discussions as well as feedback from the trial collaboration spaces will inform the specification for the next furniture contract.

3.15 Equality and diversity / cohesion and integration

3.15.1 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.

3.15.2 An Equality Impact Screening assessment has been undertaken on the proposal to extend the contract and this identified there was no impact on equality.

3.16 Council policies and the Best Council Plan

3.16.1 The contract is integral to 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.

3.16.2 The variation gives the Council time to assess how the pandemic has impacted upon the working styles of services, teams and individuals and what this means for future working environments. Requirements will therefore be more clearly defined at the time of the next procurement which will ensure the Council is spending money wisely. Entering into a new call-off contract at this point means that the Council will have a contract in place which is accessible and ensures continuity in any schemes

delivered in the next 12-18 months. Ensuring we have accessible office environments that have a consistent standard look and feel across the retained estate is key to treating people fairly.

Climate Emergency

3.16.3 The contract variation supports Flexiform as a local regional business, particularly in this difficult time after the impact of the COVID-19 pandemic. Flexiform's office sits on the border of Leeds and Bradford and supports retaining employment for some Leeds residents.

3.16.4 Flexiform also manufacturer a lot of their own products (with more being produced in house over the last 12 months) and this is good for the carbon footprint as staple products such as tambours, lockers and seating are produced in house and delivered locally reducing carbon miles.

3.17 Resources, procurement and value for money

3.17.1 The COVID-19 pandemic has led to the acceleration of the Council's estate rationalisation programme and an acceleration of the Council's Changing the Workplace (CTW) programme. By awarding a contract to Flexiform, the Council will be in a position to repurpose furniture which will deliver efficiencies compared with buying new furniture from an alternative provider. This variation will ensure design continuity and enable the Council to remodel and adapt workspaces more quickly as Flexiform are aligned with our vision and requirements. The development of a furniture catalogue with the supplier has ensured that 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.

3.17.2 By moving ordering on to an intranet catalogue and payment on to a purchase card, this has removed the cost of raising orders in the Council's Financial Management System, processing invoices for payment and ensured that the council benefits from the purchase card rebate that these payments attract.

3.17.3 A full procurement exercise will be undertaken in 2022, and an options appraisal will take place in order to identify the best route to market.

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

3.18.1 This is a Key decision which is subject to call-in. Other than confidential Appendices 1 and 2 there are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

3.18.2 There are no legal issues with entering into a call-off contract as it is in accordance with the terms of the Council's Framework Agreement.

3.18.3 In making their final decision the Director of Resources should be satisfied that the course of action chosen represents best value for the Council.

3.19 Risk management

3.19.1 If the new call-off order is not approved, the Council will need to complete a procurement process in order to enter into a new contract. In the meantime, there would be no contractual provision for furniture to support the phased remodelling of

the Council's estate which would delay the plans significantly. This would have an impact on the planned remodelling schedule and estate rationalisation programme.

4. Conclusions

- 4.1 The Council requires a contract for the provision of office furniture for the next 18 months, in order to deliver the planned initial remodelling of the estate and to support staff returning to work. It is considered that this is the best approach in order to ensure continuity of supply of products.

5. Recommendations

- 5.1 The Director of Resources is recommended to approve the award of a call-off contract to Flexiform Business Furniture Limited (Flexiform) under the council's framework agreement for the supply and delivery of office furniture and related design and installation services and to vary the specification to include additional items of furniture. The value of the new call-off contract is anticipated to be in the region of £1m (including the extension period). The contract will commence on 14th June 2021 and expire on 13th June 2022. There will be one 6 month extension option.
- 5.2 The Head of Facilities Management will be responsible for implementing the decision as soon as call-in has expired.

6. Background documents¹

- 6.1 None.

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.