

Authority to Procure a Corporate Office Furniture contract.

Date: 31st October 2022

Report of: Chief Officer Civic Enterprise Leeds

Report to: Director of Resources

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

- On 13th December 2022 the current framework call-off contract for the supply and delivery of office furniture and related design and installation service expires, the framework's sole supplier was Flexiform.
- This report seeks approval to run a further competition under the YPO 1074 Framework (Office Furniture Solutions) to purchase corporate office furniture for up to a 5 year period.
- The new furniture contract will be integral to delivery of the current estate remodelling programme and establishing how we want to work as an Authority in the future.
- There is a desire to make informed decisions to create more collaboration spaces and include better technology to support hybrid meetings, at the same time meeting the needs and expectations of services. Through the new contract, the Council will seek to incorporate lighter moveable furniture to ensure spaces can be multi-purpose and have the option to change the dynamic if needed.

Recommendations

The Director of Resources is recommended to approve an authority to procure a corporate contract for the supply and delivery of office furniture and related design and installation services, effective from 3rd January 2023 for a 4 year period with an opportunity to extend for a further year with an estimated value of £600k per annum. The contract will be awarded via a further competition under the YPO 1074 Framework (Office Furniture Solutions). If the extension option was exercised the total estimated value of the contract is £3 million.

What is this report about?

1. This report seeks the authority to procure a new contract utilising the YPO framework 1074 in line with Contract Procedure Rules for a period of up to 5 years, in relation to supply and delivery of office furniture and related design and installation service.
2. This current contract is due to expire on 13th December 2022, therefore a new contract needs to be procured quickly.

What impact will this proposal have?

3. This procurement exercise and subsequent call-off contract will allow the Authority to continue to undertake the estate remodelling programme and establishing how we want to work as an Authority in the future. Getting the best value from our buildings by optimising use and flexibility of our workplaces rationalising properties and improving the work environment to properly support us.
4. This contract will ensure the Council is meeting its requirement to provide accessible furniture for all staff alongside any specialist furniture needs/recommended through access to work or personal risk assessments.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

5. As part of the contract management plan for this particular contract, climate emergency is a standard agenda item and the impact of the environment and how it can be reduced will be discussed and managed as part of this process.
6. We will work with the contractor and engage 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 workspaces that we have developed through Changing the Workplace are inclusive and accessible to all.
7. The Covid-19 pandemic led to the acceleration of the council's estate rationalisation programme as well as the Council's Changing the Workplace programme. As some 8,500 staff became permanent homeworkers, the pulse surveys conducted by HR during the pandemic confirmed that the majority of staff wish to spend more time at home, only utilising office space 2-3 days a week at 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.
8. The option to continue to purchase core items from a number of suppliers will promote sustainability through repurposing existing furniture which will deliver efficiencies compared with buying new furniture from an alternative provider, ensuring continuity of design and the ability to reuse and repurpose the current provision.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

9. The Head of Facilities Management and the Head of Asset Management and their representatives have been consulted throughout to determine how requirements will be met.
10. Facilities Management, Asset Management, PACS and the Project Team are working together and are collectively managing the specification of this procurement activity.
11. The Executive Member for Resources has been consulted and is supportive of the approach.
12. Consultation has taken place with colleagues in Procurement and Commercial Services, DAWN network, Asset Management and those attending the CEL Weekly Assurance Meetings.
13. An information gathering exercise has taken place with 2 framework providers to enable us to ascertain what is available under the framework: full range of supply, installation and design service. Flexiform (incumbent supplier) are appointed to this framework.

What are the resource implications?

14. The estimated spend arising from this procurement activity is in the region of £3m.
15. This procurement exercise will be led by Facilities Management and the project management team. The Head of Facilities Management will manage this contract going forward, with input from Asset Management.
16. Support with the ordering of furniture will continue to sit with Business Support Services.
17. Estate rationalisation and evaluation will be considered as part of this procurement activity.
18. Leeds City Council will continue with its own furniture catalogue on Insite with a core list of products that restricts services purchasing anything they want via the framework. Anything requested outside of the catalogue is challenged by Business Support Services in order to ensure furniture remains consistent. This approach allows sustainability of office furniture ensuring anything purchased can be relocated and repurposed in other buildings if required.
19. There are two routes to the market
 - Direct Award – this would be made on the rankings listed in the User Guide. However, we would have the option to move away from these rankings where it can be justified, considering operational and logistical requirements, and that a particular supplier offers the most economically advantageous solution
 - Further competition – which YPO can run on our behalf. All of the suppliers under the framework will be invited to the further competition and be able to submit bids.
20. A 2.5% rebate is payable under the Framework by the supplier which could amount to £75k due to the value of the contract.

What are the key risks and how are they being managed?

21. Not approving the authority to procure would mean there would be off contract spend in this area, the new contract will ensure a suitable supply chain would be in place for Leeds City Council to effectively deliver their services and ensure accessibility in the workplace for everyone.
22. If the authority to procure was not approved there would be no contractual provision for furniture to support the phased remodelling of the Council's estate which would delay plans significantly.
23. There will be three week delay from the current contract expiring with the flexiform and the procurement activity concluding utilising the YPO framework. We do not anticipate that this will be a problem due to the Christmas holiday period and any items they we may need to purchase can be placed on hold for a 3 week period or purchased and stored prior to the contract expiry date with flexiform.

What are the legal implications?

24. The procurement will be undertaken in line with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015.
25. This is a Key Decision and is eligible for Call-in. There are no grounds for keeping the contents of this report confidential under the Access to Information rules.
26. The procurement was placed on the list of forthcoming key decisions on 14th July 2022.
27. The award recommendation will be covered under a subsequent separate report that will be a significant operational decision as a consequence of this key decision.
28. In making their final decision, the decision maker should note the above comments and be satisfied that the course of action chosen represents best value for the Council.

Options, timescales and measuring success

What other options were considered?

29. Do Nothing – We could just allow the contract to expire, however any future spend would then be considered as off contract. This does not seem to be a feasible option.
30. Use of other external frameworks:

Two external frameworks were considered - the first ,CCS Framework, the guidance stated that suppliers are assessed on social value but it didn't give the specific percentages used as part of the evaluation process.

The decision was made to utilise the YPO framework due to:

- The evaluation criteria was based on 50% quality (17.5% social value) and 50% price.
- The framework offered the Council a variety of 10 contractors vetted and price ranked to be utilised.
- There were 2 contract frameworks with YPO that manage the suitability of product needs and pricing schedules to deliver our core offer and bespoke designs, whilst offer a catalogue facility which could be accessed via Insite.

- We had confidence in YPO's design ability, there is a clear understanding of our current needs and expectations for the future.
- There was also an opportunity to receive a more subsidised rebate offer through YPO.

31. There is the potential to achieve reduced costs, as pricing on frameworks tends to be competitive due to economies of scale.

How will success be measured?

32. Key Performance Indicators will be implemented and managed by Facilities Management with input from Asset Management.

33. The successful supply and delivery of office furniture and related design and installation service is the main objective of this procurement activity and subsequent contract.

What is the timetable and who will be responsible for implementation?

34. This contract is anticipated to commence 6th February 2023 for a period of up to 5 years.

35. The anticipated procurement timetable is as follows:

Milestone	Date
Tender Out	21 st November 2022
Tender Return	16 th December 2022
Tender Evaluation and Governance approval	5 th January 2023
Contract Award	23 rd January 2023
Contract Start Date	6 th February 2023

Appendices

24 [EDCI](#)

Background papers

25 None