

**Rationalisation of Office Accommodation
Fit for Future Project
New Ways of Working: Term contract for Office
Furniture
Contract period: 1 July 2005 to 30 June 2007**

City of Edinburgh Council

30 June 2005

1 Purpose of report

This report concerns:

- a) further developments of the corporate office strategy aimed at new ways of working and related efficiency benefits
- b) the provision of a related new term contract for the supply, delivery and installation of new office furniture for all corporate offices.

2 Main Report

- 2.1 The Director of City Development has requested that this contract co- exist with the existing, multiple-sourced general furniture term contract (CT1101), which will now be predominantly used for schools and Social Work establishments and by the Purchasing Partnership. The new contract will run from 1 July 2005 to 30 June 2007.
- 2.2 Furniture is a supply contract governed by the UK Public Supply Regulations SI 1995/201. Annex I contains a summary of the relevant tendering processes that have been undertaken, as well as a summary of the main tender evaluation criteria that have been used in the contract award recommendations.
- 2.3 The Notice in the Official Journal of the European Union (OJEU) stated clearly that the Council set an environmental benchmark (sustainability criterion) which any successful tenderer would have to achieve in order to progress. This evaluation criterion has been used to ensure that the Council selects the most economically advantageous tender. The Council appointed a firm of sustainability consultants to assist the Department of Corporate Services in providing technical assessment relating to the sustainability of the furniture proposed.

- 2.4 Twenty-seven invitations to tender were issued, and nineteen tenders were received for evaluation. Three desking suppliers, Kinnarps, Morris and Senator and five seating suppliers, Orangebox, Kinnarps, Boss, Senator and Antocks Lairn each passed the environmental benchmark. Each of these firms demonstrated that they were accredited to BS EN ISO 14001 (Environmental Standards), a key predeterminant of tender evaluation. These tenders were then assessed on a range of other criteria, including aesthetic and functional characteristics, availability and lead times, firms' experience in operating this type of contract, 'value-for-money', warranty provision, whole-life costs, and depth and quality of product range.
- 2.5 The benefits of having sustainability incorporated into the design, in addition to there being no extra cost, is that the final products have accreditation to ensure compliance with existing Council policies on sustainability and timber procurement. The use of illegal timber logging and associated ethical issues are of ongoing concern to the public, so there is also the assurance to the Council that these products can be sourced and traced to sustainably managed forests by independent verifiers.
- 2.6 Following this rigorous tender benchmarking and evaluation process, which included site visits to see the furniture *in situ*, it is recommended that this contract be dual-sourced. The firm Senator International Ltd, of Accrington, Lancs., submitted the most economically advantageous whole-life costed tender for desking (which included fixed prices for a single desk ranging from £205.72 plus at additional cost, where required, optional accessories including a desk pedestal, monitor arm, CPU cradle, desktop screen and related goods), and Orangebox Ltd, of Mid-Glamorgan, Wales, for the seating. Senator's forecast share of the contract is likely to be around £1,181,883 and that of Orangebox £506,411. Annex II expands these details.
- 2.7 The Director of City Development has advised that the style of the recommended furniture is the most flexible in terms of workstation configuration and space maximisation, both of which are important factors in planning the accommodation of the new corporate headquarters.
- 2.8 Traditional forms of office furniture have, until now, featured as the main procurement supply for Council offices. The new specification has been developed to embrace improved sustainability, flexibility of use and reduced lifecycle costs. In addition, both of the preferred suppliers for desking and seating have confirmed that they are willing to provide a comprehensive ten-year warranty on the major elements of the products. With these comprehensive warranties in place and by adopting this procurement approach, the Council could save over £1.7m over the lifespan of more conventional furniture.
- 2.9 The selected products provide furniture, which is designed to support the Council's policies on new ways of working. As a result, this will enable staff to work more flexibly in an open-plan environment and lead to a reduction in office space requirements. Sustainability has increasingly become part of the national agenda and the Council has the opportunity through its purchasing processes to take a lead role in adopting best practice in furniture procurement.

2.10 The Council is concerned to deal with furniture which is no longer 'fit for purpose' in a managed and sustainable way. As previously reported to Council, the furniture at the temporary headquarters at Wellington Court was purchased for the limited period of occupation and will be recycled on the termination of the lease for this property. Improvements to Health & Safety regulations will require that much of the Council's furniture stock be replaced, although where furniture remains serviceable, every effort will be made to reuse this, where that is possible, thus reducing future expenditure.

3 Recommendations

3.1 The Council is requested to note:

- a) The financial and operational benefits resulting from the furniture specification detailed in this report for use in Council offices.
- b) The environmental benefits of the contract.
- c) The Council is at the forefront of sustainable development with regard to furniture provision

3.2 The Council is requested to award this contract for a period of two years to the recommended suppliers set out at 2.6 above.



Donald McGougan
Director of Finance

22nd June 2005

Appendices	Annex I: Summary of procurement process Annex II: Summary of recommended suppliers
Contact/tel	Ron Hardwick, Strategic P2P Manager 0131 469 3569, email ron.hardwick@edinburgh.gov.uk Alan Bridges, Furniture buyer, CPU, 0131 469 3822 e-mail: alan.bridges@edinburgh.gov.uk
Wards affected	All Wards
Background Papers	Procurement records lodged at the CPU Information Bureau, 12 St Giles Street. Report by Director of City Development to Council on 11 November 2004

Annex I – Procurement Process

Term contract for office furniture for council offices

Contract reference	CT1106
Period of contract	2 Years
Estimated contract value	£1,688,294
Standing Orders observed	83 (2) open competitive tendering 83 (3) more than four tenders invited 84 (1) sealed tenders received and opened by buyer at CPU 85 (1) Purchasing Manager award of tenders 85 (3) City Solicitor's control of acceptance procedures for successful tenders
	67 (2) Primary criterion for contract award
EC Procedure chosen	Open
Invitations to tender issued	27
Tenders returned	19
No of recommended suppliers	2
Primary criterion	Most economically advantageous tenders
Secondary criteria	Aesthetic and functional characteristics Availability and lead times Experience in operating this type of contract Flexibility and space maximisation Length and protection of warranty Perception of 'value for money' Sustainability and Environmental Characteristics Whole-life costs Widest range of products offered within specific categories
Evaluation team	FFF Project manager (City Development). The Sustainability Unit of the Department of Corporate Services assisted by an externally sourced Sustainability Consultant. The Furnishings Officers of the Department of City Development. The furniture and furnishings buyer of <i>Team CPU</i>

Annex II - CT1106: Furniture for the Rationalisation of Office Accommodation
Supplier Breakdown

Category	Estimated total quantity (2 years)	Senator International Ltd. Accrington	Orangebox Ltd, Hengoed Mid-Glamorgan	Totals
<i>Workstation Type A</i>				
Wave desk, size, 1600 x 1000, complete with: desk pedestal, monitor arm, CPU cradle, desktop screen and accessories.	1036	£609,593		£609,593
<i>Workstation Type B</i>				
Crescent desk, size, 1600 x 1200, complete with: desk pedestal, monitor arm, CPU cradle, desktop screen and accessories.	181	£122,485		£122,485
<i>Workstation Type C</i>				
L shaped desk arrangement, size, 1800 x 1800 x 800 x 600, complete with: meeting table extension, desk pedestal, monitor arm, CPU cradle, desktop screen and accessories.	167	£153,964		£153,964
<i>Workstation Type D</i>				
120 degree angled desk, size, 1200 x 1200 x 800 x 800, complete with: desk pedestal, monitor arm, CPU cradle, desktop screen and accessories.	217	£137,081		£137,081
<i>Workstation Type E</i>				
Rectangular mobile desk, size 1400 x 800.	95	£16,441		£16,441
Rectangular bench desk, size 1500 x 600, complete with: monitor arm, CPU cradle and accessories.	95	£37,700		£37,700
Mobile storage unit, size 800 wide X 948 high.	95	£37,616		£37,616
Workstation Task Chairs (A & B)	1696		£428,480	£428,480
Meeting Area Chairs	434	£55,256	£51,671	£106,927
Breakout Area Furniture	10	£4,895	£1,076	£5,971
Meeting/Training Room furniture	25	£6,852		£6,852
Restaurant Furniture	245		£25,184	£25,184