

Finance and Resources Committee

10 am, Tuesday 2 February 2016

Award of contract - Furnishing and Furniture

Item number 7.6
Report number
Executive/routine
Wards

Executive Summary

This report seeks approval to appoint CF Services to supply and install furniture, white goods and soft furnishings to a range of accommodation types managed by the Council's Hostels and Temporary Accommodation Service (HTAS). The contract will also supply core furnished tenancy packages to Council tenants. This is administered by HTAS.

The contract will be for one year, with an option to extend for a further year.

The total contract value is £1,460,000 (including the option to extend). This is based on a calculation using 2014/15 spend data which includes a small percentage of non core purchases.

Links

Coalition pledges [P1](#)
Council priorities [CO1](#), [CO3](#), [CO5](#), [CO6](#), [CO10](#), [CO13](#)
Single Outcome Agreement [SO2](#), [SO3](#)

Award of contract - Furnishing and Furniture

1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approves the appointment of CF Services to supply the installation of furniture, white goods and soft furnishings to a range of accommodation managed by the Council including temporary accommodation. The contract will also supply core furnished tenancy packages to Council tenants.

2. Background

- 2.1 The City of Edinburgh Council's Hostels and Temporary Accommodation Service (HTAS) provide temporary accommodation to fulfil the Council's statutory duty towards people who are homeless.
- 2.2 The Council provides temporary accommodation using a variety of accommodation types, and there is a requirement for a contract to provide a full furnishings package to temporary accommodation properties.
- 2.3 The provision of furnishing packages assists the Council to fulfil its statutory duties towards people who are homeless.
- 2.4 There are currently 410 dispersed flats and 207 hostel and supported accommodation rooms, all of which require furnishing, floor coverings and curtains to be supplied and fitted.
- 2.5 HTAS operate a core furnished tenancy scheme, which provides basic furniture packages to people who have been homeless and have secured a Council tenancy. The scheme assists in people to sustain their home and to avoid a cycle of repeat homelessness.
- 2.6 There are currently 2500 core furnished tenancies across all neighbourhoods in Edinburgh.
- 2.7 The scheme is self financing. The weekly charge is £10, with all receipts re-invested into the operation of the scheme, providing a repairs service, replacing items where required and create new core furnished tenancies. The charge is eligible for Housing Benefit.
- 2.8 The existing contract, which was awarded to CF Services following a procurement exercise, began on 15 May 2013 and expired on 31 May 2015, with the option to extend to 31 May 2017. The advice from Commercial and Procurement Services was to use the Scotland Excel framework for the

provision of household furnishings at the end of the contract in May 2015, rather than utilise the option to extend to 31 May 2017. The justification for using the Scotland Excel framework was that it would produce savings through increased buying power and economies of scale.

- 2.9 It was anticipated that moving to a framework contract would be a relatively quick process. However, the complexity of the contract and the need to ensure appropriate fire standards for all items meant the procurement exercise took longer than projected. The previous contract had an option to extend and because a procurement exercise was underway, the service was able to utilise the existing contract to ensure business continuity, whilst the re-procurement exercise was undertaken.

3. Main report

- 3.1 The Council is required to appoint one suitably qualified and experienced supplier to provide furnishings and furniture for temporary accommodation.
- 3.2 Commercial and Procurement Services conducted a mini competition on the Scotland Excel framework for the Supply, Delivery and Installation of Domestic Furniture including White Goods - contract reference number CT0438.
- 3.3 There were three suppliers on the Scotland Excel framework and all three were invited to submit a bid - CF Services (the incumbent supplier), The Furnishing Service and First Furnishings. Each supplier's quality score out of 30% was carried forward from the initial evaluation of this framework agreement and the remaining 70% was given to price.
- 3.4 The tender opportunity was published on Public Contracts Scotland on 2 September 2015 with a closing date of 23 September 2015. All three suppliers submitted a bid.
- 3.5 The pricing schedule was based on a basket of commonly purchased goods by HTAS. The values were totalled and the overall lowest total price obtained the full 70 points, which is the 70% allocated to price. All other bids were scored on a pro rata basis against the lowest bid. The quality scores carried forward from the original quality analysis were then combined with the scores for the cost analysis to reach a combined score for each tender submission.

3.6 The results are detailed in the table below.

Tender	Price Score %	Tendered Price (£)	Quality Score % (Carried forward from the original tender)	Overall Score %
CF Services	70	705,680	21	91
Bidder B	59.29	833,216	28	87.29
Bidder C	63.08	783,105	18.5	81.58

- 3.7 The bidder with the highest overall score, which represents the most economically advantageous tender, was CF Services.
- 3.8 The contract will be for a period of one year, which will begin on 1 March 2016 and run until 28 February 2017 with an option to extend for a further year until 28 February 2018.
- 3.9 The contract for the provision of these goods has an estimated annual value of £730,000, based on 2014/15 usage data with a total contract value of £1,460,000 if the option to extend is adopted.

4. Measures of success

Measures of success include:

- 4.1 Provision of a high quality responsive and cost effective service, which provides and installs a full range of household furnishings.
- 4.2 Installation of core furnished tenancy packages as and when required within specified timescales.

5. Financial impact

- 5.1 The contract for the provision of these services has an estimated annual value of £730,000, based on the Council's 2014/15 usage data, which includes a small percentage of non core item purchases.
- 5.2 In order to estimate savings, Commercial Procurement Services benchmarked a basket of goods on the most common items purchased. Through this benchmarking exercise, there is a potential saving of approximately 32% per

annum. This was established by comparing the previous contract with the recommended tenderer's submission on a like for like basis. Any savings are wholly dependent on the actual goods bought and will require monitoring.

- 5.3 The costs associated with procuring this contract are estimated at between £10,001 and £20,000.

6. Risk, policy, compliance and governance impact

- 6.1 HTAS will be responsible for the management of the new contract and will ensure the key performance indicators are met. This will mitigate any risk that the contract is not compliant with service requirements.

7. Equalities impact

- 7.1 An equalities and rights impact assessment was undertaken with due regard to the protected characteristics outlined in the Equalities Act 2010. There is no impact on equalities and rights as the service is available and open to anyone who is homeless.

8. Sustainability impact

- 8.1 The impacts of this report have been considered in relation to Climate Change (Scotland) Act 2009 Public Bodies Duties and the outcomes are summarised below. Relevant Council sustainable development policies have been taken into account and would be met in the ways set out below.
- 8.1.1 The supplier is required to make every effort to minimise the impact of the delivery of these services on the environment.
- 8.1.2 Shall use their best endeavours to achieve the efficient use of energy and, where possible, to maximise the use of biodegradable or recycled products.
- 8.1.3 Shall have an environmental policy to demonstrate compliance.
- 8.1.4 Shall apply (i) the minimum mandatory standards for CO2 emissions for the relevant vehicle category from the Government Buying Standards and (ii) the Cleaner Road Transport Vehicles (Scotland) Regulations 2010 for any new vehicles acquired for use in the delivery of this service.

9. Consultation and engagement

- 9.1 The specification for this service was written in consultation with HTAS.

10. Background reading/external references

10.1 None.

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11. Links

Coalition pledges	P1 - Increase support for vulnerable children, including help for families so that fewer go into care
Council priorities	CO1 - Our children have the best start in life, are able to make and sustain relationships and are ready to succeed CO3 - Our children and young people at risk, or with a disability, have improved life chances. CO5 - Our children and young people are safe from harm or fear of harm, and do not harm others within their communities. CO6 - Our children's and young people's outcomes are not undermined by poverty and inequality. CO10 - Improved health and reduced inequalities CO13 - People are supported to live at home
Single Outcome Agreement	SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential
Appendices	Appendix 1 – Summary of Tendering and Tender Evaluation Process

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Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Furnishings and Furniture for Temporary Accommodation
Contract period	1 March 2016 – 28 February 2018 –(including a one year optional extension) -
Contract value	£730,000 (£1,460,000 if the option to extend is adopted).
Standing Orders observed	2.7 Commercial and Procurement Manager provided resource to undertake tendering 3.2 Director has responsibility for all Contracts tendered and let by their Directorate 5.1 (b) Tenders evaluated on basis of most economically advantageous criteria 8.1 Procurement process conducted electronically via Public Contracts Scotland.
Portal used to advertise	www.publiccontractsscotland.co.uk
EU Procedure chosen	Mini Competition
Invitations to tender issued	3
Tenders returned	3
Tenders fully compliant	3
Recommended supplier/s	CF Services
Primary criterion	Most economically advantageous tender to have met the qualitative and technical specification of the client department
	Price 70%
	Quality 30%
Evaluation Team	Scotland Excel, Procurement and/or Technical Representatives from some of the Councils participating.

