

## **Cabinet Meeting on Wednesday 19 February 2020**

### **Award of the Furniture Framework Agreement (REF IA1774)** *(Provision of Office Furniture, Educational Furniture and Library Furniture)*



**Cllr Mark Deaville, Cabinet Member for Commercial said,**

“Getting the best value for taxpayers’ money is hugely important to this county council.

“By going through a robust procurement process we are able to ensure we do just this and still have a quality service provided.”

#### **Report Summary:**

The objective of this report is to obtain authority for the procurement of office furniture and to secure cabinet authority for John Tradewell (Director of Corporate Services) to act with Delegated Authority to approve the full procurement process, the terms of the agreement for supply and to execute that agreement for the supply of Office Furniture. The procurement will be in the form of a Framework Agreement for the Supply, Delivery and Installation of both Office Furniture for the Council’s Corporate buildings, Educational Furniture for the Council’s Educational Establishments and Library Furniture (‘the Furniture Framework’). The Framework Agreement will be for a period of 4 years starting 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2022 with two options to extend that original term by 2 x 12-month periods. The potential spend on the Framework during the four year term is to be advertised at £6,500,000.

Historical spend of similar frameworks of this type was £3,500,000 for Educational Furniture and £500,000 for Office Furniture. There is currently no Framework Available for Library Furniture however historical spend on this type of furniture is £410,000.

The increase between the two potential spend figures here reflects the fact that some of the Council’s partners may wish to call off from the Furniture Framework at their own cost. It is also worth noting here that there is no obligation to spend under the Furniture Framework and these figures will only be relevant if and when furniture is required and a call off is made and authorised.

#### **Recommendations**

I recommend that:

- a. The Council concludes its regulated procurement in line with the Public Contract Regulations 2015 for the Furniture Framework Agreement for the provision of office, educational and library furniture.
- b. Following the procurement process the successful suppliers be appointed to the framework agreement for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2022 and that dependent on the quality of their delivery (to be determined on or before June 2022), that one or both of the 12-month contract extensions be implemented to a final contract end date of 30<sup>th</sup> June 2024.
- c. Following the procurement process, John Tradewell (Director of Corporate Services) be authorised to act with the Delegated Authority to approve the initial awards to the successful providers to the Framework, agree and execute the formal terms of the Furniture Framework Agreement approve all subsequent awards of contracts and spends under this Framework, and (if applicable) approve the 2 -year extensions to the Framework in its 3<sup>rd</sup> and 4<sup>th</sup> year up to the total value set out above and not exceeding that value in total over the entire period of the Furniture Framework Agreement.

<b>Local Members Interest</b>
N/A

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#### **Recommendations of the Cabinet Member for Commercial**

I recommend that:

- a. The Council concludes its regulated procurement in line with the Public Contract Regulations 2015 for the Furniture Framework Agreement for the provision of office, educational and library furniture.
- b. Following the procurement process the successful suppliers be appointed to the framework agreement for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2022 and that dependent on the quality of their delivery, that one or both of the 12-month service extensions be implemented to a final contract end date of 30<sup>th</sup> June 2024.
- c. Following the procurement process, John Tradewell (Director of Corporate Services) be authorised to act with the Delegated Authority to approve the initial awards to the successful providers to the Framework, agree and execute the formal terms of the Furniture Framework Agreement approve all subsequent awards of contracts and spends under this Framework, and (if applicable) approve the 2 -year extensions to the Framework in its 3<sup>rd</sup> and 4<sup>th</sup> year up to the total value set out above and not exceeding that value in total over the entire period of the Furniture Framework Agreement.

#### **Report of the Director of Corporate Services**

##### **Reasons for Recommendations:**

1. The current office furniture Framework Agreement (PC444) procured via the Public Contract Regulations expired on 30<sup>th</sup> April 2019. A Regulation 72 extension for this framework was granted by John Tradewell, (Director of Corporate Services) in February 2019 to vary the agreement end period to 30<sup>th</sup> June 2020. The estimated annual value for that framework agreement was £120,000 per annum for Staffordshire County Council.
2. The new framework agreement is likely to be made available for local district and borough councils to use and call-off from therefore the advertised annual spend as shown on the OJEU notice will rise to incorporate this new potential additional and non-County Council spend. Stafford Borough Council, Cannock Chase District Council and South Staffordshire Council may wish to use the framework once it has been awarded and executed.
3. The current educational only furniture Framework Agreement (PC614) procured via the Public Contract Regulations is expected to expire 30<sup>th</sup> June 2020 after

already being extended. The estimated advertised spend over the 4-year framework agreement was £3,500,000.

4. The scope of the new 3-Lot agreement is as follows:
  - a. Office Furniture (Lot One)
  - b. Educational Furniture (Lot Two)
  - c. Library Furniture (Lot Three)
5. This new Furniture Framework Agreement has 3 separate Lots. The first Lot allows for ad hoc purchases and full fit outs of offices; the second Lot provides for the full fit out of a completely new school build, either primary school or high school. The appointed suppliers are able to design the layout where required and this would be expected of the new appointed suppliers on both corporate furniture and educational furniture.
6. The County Council also has a requirement for library furniture and there is currently no contract available to acquire this type of furniture, therefore the [third] Lot will be incorporated into the procurement to allow for this.
7. It is the Council's intention to appoint 3 providers under each lot.
8. There are no equivalent lotted agreements procured by any other independent 3<sup>rd</sup> party central purchasing bodies or contracting authority/council which uniquely open this sales opportunity to the local providers. The option to publicly tender this opportunity not only serves as an opportunity for local providers to tender but also serves as a bench mark to ensure value for money.
9. Without recourse to a Framework Agreement, Council Officers would be required to invest more resource into spot tendering / quoting for individual work packages which would require a plethora of separately tendered projects per annum conforming to the Councils own Procurement Regulations. This would be a timely and inefficient way of procuring furniture and may not always produce best value due to lower one-off quantity requirements. See below also the potential issue and risk around disaggregation which is not permitted under the Public Contract Regulations 2015.

## **Legal Implications**

10. The potential value of spend through this agreement requires a procurement process under and in compliance with the Public Contracts Regulations 2015. The implications of any process failing to follow these Regulations could lead to serious legal challenges to the Council which would interfere with any contract award. The Furniture Framework Agreement and the formal legal terms of that Framework has been developed in conjunction with Legal Services to allow for the relevant goods and services to be called off as and when required. The call-offs will be managed by the Council's partner, Entrust and a call-off process is detailed within the Furniture Framework Agreement. All Call-offs will need to be authorised by John Tradewell (Director of Corporate Services) in accordance with his delegated

authority above. There are no other legal implications to this Furniture Framework Agreement

### **Resource and Value for Money Implications**

11. The Furniture Framework Agreement will be commissioned by the Council, led by a Strategic Property lead, and procured by the Council's Commercial Team. The ongoing technical day-to-day contract management is delivered in conjunction with but led by the Council's partner Entrust. There are no adverse resource implications known at the time of writing this report and the Council is not obliged to spend under this Furniture Framework Agreement unless the need arises, and the budget is available. The failure to conduct a competitive tender process will inevitably lead to a disaggregation of spend with each project being contracted separately when it arises and this may lead to increase in prices, inefficiencies in the contracting process and a sharp increase in procurement and commissioning time and effort and therefore procuring and implementing and executing this Furniture Framework Agreement is considered the best and most efficient and effective way to achieve best value.

### **List of Background Documents/Appendices:**

Community Impact Assessment – Summary Document

### **Contact Details**

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