

MEDWAY COUNCIL

CABINET

4 SEPTEMBER 2007

**NEW CIVIC HEADQUARTERS:
PROVISION OF OFFICE FURNITURE**

Portfolio Holder: Councillor Alan Jarrett, Finance

Report From: Neil Davies, Chief Executive

Author: Richard Pellatt, Head of Operational Buildings

1. Summary

- 1.1 To recommend the selection and acceptance of a preferred supplier for the provision and installation of office and meeting room furniture at the new Civic Headquarters building.

2. Decision Issues

- 2.1 The project has been risk rated as Low under the Council's procurement process. Provision is included in the capital budget for this project. However, as the anticipated value of the contract is in excess of officer's delegated authority, this is a matter for Cabinet.

3. Background

- 3.1 Full Council approved the move to a new Civic Headquarters building at Gun Wharf, Chatham on 14 June 2007 (decision number 65(c)/2007 refers). To facilitate this a number of work streams are now working to ensure that the building is ready for occupation in April 2008.
- 3.2 One of these work streams includes the provision and installation of suitable office and meeting room furniture. The replacement of old unsuitable furniture is necessary to enable the maximum occupation of the building and to comply with current Health and Safety legislation. In order to mitigate these costs the existing furniture will be disposed of through selling at the maximum return.
- 3.3 To take this forward a competitive supply process has been entered into with the Council's existing supplier (Supplier A) and one sourced from the Office of Government Commerce (OGC) furniture framework (Supplier B). The latter was selected as a bidder in the process due to their successful supply and installation of furniture for the Council's planning team at Compass Centre and other projects.

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- 3.4 These suppliers will be referred to as Supplier 'A' and 'B' for the remainder of this report. Their full details are set out in the exempt appendix.

4. Tender Preparation

- 4.1 The views of the Logistics work stream, which includes representatives from across the Council, were sought in the preparation of this procurement. Wider consultation will take place amongst officers and Members at a later date to select the actual range of furniture to be procured from the preferred supplier.
- 4.2 Both bidders were selected from EU compliant frameworks. The incumbent via the Central Buying Consortium EU framework and the other via the Office of Government Commerce EU compliant framework. A pre-qualification process was not therefore necessary given the use of EU compliant frameworks.

- 4.3 The Evaluation Team, consisting of the Assistant Director of Corporate Services and Head of Operational Buildings, had initial introductory meetings with both bidders independently. The tenders were then dispatched on 19 July 2007 and bids received by 4.00pm on 20 July 2007.

5. Tender Evaluation

- 5.1 The following criteria, and weighting, applied in the evaluation of these tenders were:

- Price 45%
- Space Planning 20%
- References 5%
- Delivery Lead Time 5%
- Performance Bond/Parental Guarantee 5%
- Installation and Assembly 10%
- Value Add 10%.

- 5.2 An evaluation of the two bids to set out in Appendix 1. Using the quality assessment alone the suppliers received the following marks:

Supplier B	31% out of possible 55%
Supplier A	26% out of a possible 55%

- 5.3 It is considered that the proposed award gives best value for money. Both bidders have been subject to the competitive selection via the Central Buying Consortium (CBC) and OGC frameworks. In additional bidders were asked to provide a sample price for a sample furniture requirement for the new Civic Headquarters.

- 5.4 The main risk associated with the proposed award lies in the ability of the preferred supplier to deliver and install within the required calendar month. Bidders were asked to confirm whether or not this was achievable within their bid submissions however the preferred bidder neglected to do so. However the lead-time from point of order to delivery is significantly better with the preferred bidder and this gives the evaluation panel comfort that delivery and installation can be completed for April 2008.

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- 5.5 A bond or parent company guarantee has been requested as part of the bid process and the preferred bidder has confirmed one will be provided.

6. Preparation for Contract management

- 6.1 The Head of Operational Buildings will be responsible for day-to-day supplier relationships. The contract will be reviewed at Gateway 4 at some point following completion of the consolidation of office buildings into the new Civic Headquarters building.

7. Comments from Portfolio Holder for Finance

- 7.1 The decision by the Council to centralise its office accommodation into a new Civic HQ has necessitated the procurement of new furniture to replace old unsuitable furniture and to allow maximum occupation of the building. This report details the procurement process carried out and to approve the most advantageous Contractor.

8. Financial, Procurement and Legal Comments

- 8.1 The cost of procurement of office furniture will be contained within the approved capital budget.
- 8.2 The supply of furniture is covered by the EU procurement regime. Use of frameworks let in compliance with this regime allows the Council to tender for the work without the need to follow the full advertising and selection requirements of the regime.
- 8.3 There are no legal permissions or consents required as part of this procurement. The Monitoring Officer granted exemptions from Contract Rules in respect of Gateways 0 and 1 on 25 July 2007. The tender documents were approved by Procurement at Gateway 2.

9. Recommendations

- 9.1 Cabinet is recommended to approve the selection of Supplier B as the preferred bidder for the provision and installation of Office Furniture for the new Civic Headquarters building.

10. Suggested Reasons for Decision

- 10.1 The preferred bidder, Supplier B, submitted a bid that represents the most economically advantageous offer to the Council. New office furniture is needed for the new Civic Headquarters and this is the best value solution to this need.

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Chief Finance Officer or deputy: Mick Hayward
Monitoring officer or deputy: Julien Browne
Head of Procurement or deputy: Robert Marsh

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Background papers

None.

APPENDIX 1 BID EVALUATION SUMMARIES

Evaluation Matrix: Supplier A

Scoring System for Quality Aspects:

- 0 Fails to meet expectations
- 1 Partially meets expectations
- 2 Largely meets expectations
- 3 Meets expectations
- 4 Exceeds expectations
- 5 Greatly exceeds expectations

Criteria	Weighting	Score	Overall Score
Price Aspects: (Bid price/Best Bid Price x 100 x 0.45)	45		44.9
Quality Aspects:			
Space Planning: Score 0 equates to 0 Score 1 equates to 4 Score 2 equates to 8 Score 3 equates to 12 Score 4 equates to 16 Score 5 equates to 20	20	3	12
References: Score 0 equates to 0 Score 1 equates to 1 Score 2 equates to 2 Score 3 equates to 3 Score 4 equates to 4 Score 5 equates to 5	5	2	2
Delivery Lead Time: Score as per References above	5	3	3
Performance Bond / Parental Guarantee: Score as per References above	5	3	3
Installation and Assembly: Score 0 equates to 0 Score 1 equates to 2 Score 2 equates to 4 Score 3 equates to 6 Score 4 equates to 8 Score 5 equates to 10	10	3	6
Value Add: Score as per Installation and Assembly above	10	0	0
TOTAL SCORE	100		70.9

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Reasoning behind the choice of Price Evaluation result:

The evaluation panel is aware of the tight budget availability for this project. It therefore decided to air on the side of caution and focus on the 'Low Average' price assessment that focused upon the entry-level furniture proposed by both bidders.

Reasoning behind allocation of scores above or below a score of '3 – meets expectations':

References:

The Council asked for references of similar service provision. Supplier A provided a number of case study examples but failed to provide sufficient detail to allow references to be sought. In some cases contact names were mentioned but no contact details and in others no name or contact details were provided.

Value Add:

Supplier A failed to provide evidence of additional value add over and above that specifically requested in the tender document.

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Evaluation Matrix: Supplier B

Scoring System for Quality Aspects:

- 5 Fails to meet expectations
- 5 Partially meets expectations
- 5 Largely meets expectations
- 5 Meets expectations
- 5 Exceeds expectations
- 5 Greatly exceeds expectations

Criteria	Weighting	Score	Overall Score
Price Aspects: (Bid price/Best Bid Price x 100 x 0.45)	45		44.5
Quality Aspects:			
Space Planning: Score 0 equates to 0 Score 1 equates to 4 Score 2 equates to 8 Score 3 equates to 12 Score 4 equates to 16 Score 5 equates to 20	20	4	16
References: Score 0 equates to 0 Score 1 equates to 1 Score 2 equates to 2 Score 3 equates to 3 Score 4 equates to 4 Score 5 equates to 5	5	2	2
Delivery Lead Time: Score as per References above	5	4	4
Performance Bond / Parental Guarantee: Score as per References above	5	3	3
Installation and Assembly: Score 0 equates to 0 Score 1 equates to 2 Score 2 equates to 4 Score 3 equates to 6 Score 4 equates to 8 Score 5 equates to 10	10	0	0
Value Add: Score as per Installation and Assembly above	10	3	6
TOTAL SCORE	100		75.5

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Reasoning behind the choice of Price Evaluation result:

The evaluation panel is aware of the tight budget availability for this project. It therefore decided to air on the side of caution and focus on the ‘Low Average’ price assessment that focused upon the entry-level furniture proposed by both bidders.

Reasoning behind allocation of scores above or below a score of ‘3 – meets expectations’:

Space Planning:

Supplier B quoted a fixed day rate for additional space planning services which is more beneficial to the Council than the other bid. Supplier B also confirmed they were 3D specialists which the Council feel enhances their space planning offering. Finally they communicated a Space Planning methodology which better enabled the Council to understand and appreciate the nature of the space planning proposition. All three factors combined convinced the evaluation panel to award additional credit here.

References:

The Council asked for references of similar service provision. Supplier B provided a number of examples but failed to provide sufficient detail to enable the Council to form a view upon the quality of the references.

Delivery Lead Time:

The furniture proposed by Supplier B has a short delivery lead time. Given the potential for change to its exact requirements (work station numbers etc), the evaluation panel thought the significantly shorter lead time would provide an element of flexibility that could prove extremely valuable to the Council.

Installation and Assembly:

The bid submission is unclear about Supplier B’s ability to install and assemble within the month installation window. A related clarification question was asked of Supplier B but nothing in the response to this question shed any further light on this point. Therefore the panel were unable to allocate any scores in respect of this category.

Note: If the Council were to nominate Supplier B as its preferred contractor for furniture it would need to obtain assurance of its ability to install and assemble within the month window before signing contracts.