

Finance & Resources Committee

10.00 am, Thursday, 12 August 2021

Contract Award Recommendation Report for the Supply and Delivery of Furniture and Furnishings for Temporary Accommodation

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 That Committee:
 - 1.1.1 Approves the award of the contract for the Supply and Delivery of Furniture and Furnishings to CF Services Limited; and
 - 1.1.2 Approves the commencement of the contract on 24 August 2021 for a period of three years with the option to extend for a further 12-month period, at a total estimated cost of £4m.

Julien Kramer

Interim Executive Director of Education and Children's Services

Contact: Nicky Brown, Homelessness and Housing Support Senior Manager

E-mail: Nicky.Brown@edinburgh.gov.uk | Tel: 0131 529 7589

Contract Award Recommendation for the Supply and Delivery of Furniture and Furnishings for Temporary Accommodation

2. Executive Summary

- 2.1 This report seeks approval to award the contract for the Supply and Delivery of Furniture and Furnishings to CF Services Limited to commence on 24 August 2021 for an initial period of three years with the option to extend for a further 12-month period.

3. Background

- 3.1 The City of Edinburgh Council (the Council) provides temporary accommodation to people who find themselves in housing crisis. People in housing crisis can often be from hard to reach groups and have difficulties such as alcohol and drug problems, mental health problems and physical disabilities.
- 3.2 This accommodation can be in the form of:
- 3.2.1 Furnished flat;
 - 3.2.2 Temporary accommodation unit;
 - 3.2.3 Supported accommodation; and
 - 3.2.4 Hostels
- 3.3 It is the Council's responsibility to ensure that:
- 3.3.1 Accommodation will be fully furnished, provided with safe, working, electrical equipment, is clean, tidy and in good decorative order; and that
 - 3.3.2 Housing Officers and Wardens manage and visit the properties every fortnight.
- 3.4 The Council also provides Core Furnished Tenancy (CFT) packages to assist tenants starting out, by providing them with the use of basic furnishings to set up their new Council tenancy. These packages are primarily targeted at households who are moving on from a period of housing crisis

- 3.5 This contract will provide the Council with a mechanism to procure a range of new furniture and furnishings, including but not limited to, furniture, curtains, white goods and carpets.
- 3.6 The purpose of this report is to confirm the outcome of the contracting process and seek authority to award the contract to the preferred bidder.

4. Main report

- 4.1 Due to the requirement to appoint a suitably qualified and experienced supplier for the Supply and Delivery of Furniture and Furnishings, Commercial and Procurement Services (CPS) conducted a mini competition on the Scotland Excel (SXL) Framework Agreement 2019 for Domestic Furniture and Furnishings.
- 4.2 The Framework was structured to allow Councils a one-stop-shop approach to ensure urgent requirements and CFTs are fulfilled and to minimise any disruption to the daily lives of people receiving the goods. This also provides the additional benefit of reducing carbon emissions across the City by having one delivery of all products ordered, as opposed to a number of deliveries by multiple suppliers. In turn this provides the supplier with scale and will also reduce the internal resource on contract administration and management.
- 4.3 In line with the Framework requirements, the mini competition was published to all five suppliers on the Public Contracts Scotland (PCS) portal. Prior to their appointment on the SXL Framework, all suppliers were pre-vetted to ensure they satisfied the necessary requirements for the delivery of these goods, including questions on insurance, financial standing and health and safety.
- 4.4 Work was carried out by Commercial and Procurement Services and Safer and Stronger Communities to review the items required and define the Council's core list of items that were required.
- 4.5 Tenders were evaluated based on the most economically advantageous tender. The weightings were as per the terms of the framework which permitted the Quality scores from the SXL Framework to be carried forward and added to the Commercial score of this tender exercise. The Commercial element included a net delivered price for each of the products in a basket of goods which would be multiplied by the total estimated volumes to provide the overall bid total offer price.
- 4.6 The recommendation for award of this contract is based on the completed evaluation scores in the following table and further detailed in Appendix 1:

TENDERER	Price (max 70%)	Quality (max 30%)	TOTAL
CF Services Limited	70.00	22.00	92.00
Tenderer 2	58.46	26.00	84.46

Tenderer 3	48.78	16.00	64.78
Tenderer 4	37.43	18.00	55.43

5. Next Steps

- 5.1 Subject to approval, contract will be awarded, implemented and mobilised. The contract manager will liaise with the supplier to create a bespoke catalogue for the contracted items to be purchased via Oracle.
- 5.2 The Contract and Grants management team will engage with the contract manager to ensure that effective contract management is delivered throughout the contract lifecycle. All efficiencies identified in the procurement process should be delivered by the service area through proactive supplier engagement and monitoring of management information.

6. Financial impact

- 6.1 A benchmarking exercise was conducted on the basket of goods, that the tenderers submitted pricing for, comparing current prices against the new contract pricing submitted by CF Services Limited. Unprecedented market conditions including both the pandemic, which required investment for impacted delivery operations, and Brexit which has increased cost variations for the supply chain, have resulted in price increases for these types of goods.
- 6.2 Actual costs are largely dependent on the order quantities and type of items ordered which will be monitored by the contract manager.
- 6.3 The prices are fixed for the first 24 months of the contract as part of the tender. Pricing will be renegotiated with the supplier thereafter for any subsequent years and will be evaluated against prevailing market conditions and require to be supported by documentary evidence.
- 6.4 The costs associated with procuring this contract are estimated at up to £10,000.

7. Stakeholder/Community Impact

- 7.1 This requirement is necessary to fulfil services and provide a consistent level of furniture and furnishings to people who find themselves in housing crisis. Analysis over the years from the Scottish Government, third sector partners and feedback from service users has shown higher tenancy sustainment when people have access to the basic items supplied such as fridge, cooker, floor coverings, curtains and bedding. In the past, service user feedback has shown that the furniture & furnishings felt and looked too institutionalised. Since then, the service has been far improved to include every basic item needed to make a tenancy a successful home without the tenant having to purchase anything over and above.

- 7.2 Following consideration of the Integrated impact Assessment (IIA), it was agreed that procuring the Supply and Delivery of Furniture and Furnishings for Temporary Accommodation and Core Furnished Tenancies will advance the equality of opportunity of all homeless households by providing well furnished, good quality temporary accommodation and preventing current and future households from becoming homeless due to a lack of the basic furnishings required to sustain a tenancy.
- 7.3 Within the Quality section a sustainability method statement was assessed which included maximising recycling, reuse and redistribution.
- 7.4 During the term of this contract the contract manager will work with CF Services Limited to reduce the amount of non-recyclable packaging and promote re-usable versus single use packaging. Additionally, delivery routes and volume of stock transfer will be mutually agreed to minimise distances travelled.
- 7.5 All timber from North Wales used in the production of bedroom furniture comes from sustainable forests and recycled timber products.
- 7.6 Any furniture which has not reached end of life, is donated free of charge to those in need such as unemployed support groups, single parents and the elderly as well as helping young people (leaving care services aged 16-25) furnish their homes.
- 7.7 The supplier has confirmed their commitment to offer community benefits for the duration of the contract. The Council will have the option to request that specific community benefits are delivered by CF Services Limited such as:
- 7.7.1 **Community Projects, Social Inclusion and Wellbeing Activity** such as donation of goods, equipment or time and expertise including support for local recreation, arts and sports events and improvements to local environment or local facilities; and
- 7.7.2 **Mentoring and educational support** –such as school visits, careers events, mentoring a young person, awareness days or workshops, sponsoring local events
- 7.8 CF Services Limited are an accredited Real Living Wage employer and do not intend to operate any Zero Hours contracts.

8. Background reading/external references

- 8.1 N/A

9. Appendices

- 9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	Supply and Delivery of Furniture and Furnishings for Temporary Accommodation		
Contract Period	Three years with the option to extend for a further 12 months.		
Estimated Aggregate Contract Value (including extensions)	£4m		
Procurement Route Chosen	Mini Competition utilising Lot 1 New Furniture of the Scotland Excel 2019 Domestic Furniture and Furnishings		
Tenders Returned	4		
Recommended supplier	CF Services Limited		
Price / Quality Split	Price 70		Quality 30
Cost/Quality Rationale	<p>The weightings were agreed within the SXL strategy and meetings with the User Intelligence Group (UIG) which was attended by a representative from the Council.</p> <p>There was a set of Qualification Questions to ensure the suppliers appointed to the Framework were suitably qualified. On that basis the weightings were set at the cost:quality ratio of 70:30</p>		
Quality Split Breakdown (30%)	Criteria		Weighting
	M1	Business Continuity – COVID 19 Supplementary Information	For Information Only
	M2	Zero Hours Contracts and the Living Wage	For Information Only
	M3	Resource Efficient Scotland Pledge	For Information Only
	M4	Ability to Transact	For Information Only

	Q1	Service Delivery and Contract Management	8
	Q2	Supply Chain Risk	4
	Q3	Environmental Sustainability	8
	Q4	Community Benefits and Fair Work Practices	10
Evaluation Team	Representatives from SXL evaluated the Quality elements and representatives from CPS verified the Pricing.		
Procurement Costs	Up to £10,000		