

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref: NLC-CPT-24-059

Date: 20 November 2024

Contract Award for Provision of Domestic Furniture & Furnishings 2024-2027

From Elaine Kemp, Chief Officer (Finance)

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Executive Summary

The Committee is asked to approve the award of a contract for Provision of Domestic Furniture & Furnishings 2024-2027 (the 'Agreement') to CF Services Limited.

The Agreement is for an initial period of 24 months anticipated to commence on 13 January 2025. The council reserves the right to extend the Agreement for additional periods up to a maximum of a further 12 months.

The maximum value of the Agreement is Seventeen Million Two Hundred and Fifty Thousand Pounds Sterling (£17,250,000) exclusive of VAT.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Approves the award of the Agreement to CF Services Limited at the maximum value of Seventeen Million Two Hundred and Fifty Thousand Pounds Sterling (£17,250,000) exclusive of VAT.

The Plan for North Lanarkshire

Priority Improve the health and wellbeing of our communities

Ambition Statement (12) Ensure our residents are able to achieve, maintain, and recover their independence through appropriate supports at home and in their communities

Programme of Work Resilient People

1. Background

- 1.1 Under terms of the Housing (Scotland) Act 1987, Housing Management (Housing) have responsibility for providing temporary housing solutions for service users who have presented to the authority as homeless while an assessment is made on their application for housing. In addition, under the terms of the Welfare Funds (Scotland) Act 2015, the Scottish Welfare Fund in Finance the Council provides essential pieces of furniture and equipment to support residents in emergency situations to ensure they can retain tenancies and remain within their communities.
- 1.2 As number of applicants applying to the council as homeless are presenting in a crisis situation. They do not have any household items available for their use at the time of presentation therefore the council provide furnished temporary accommodation for their use pending the outcome of their homeless persons application, ensuring they have access to safe accommodation which aims to minimise the impact / disruption caused as a result of their homeless situation. Through the Scottish Welfare Fund, goods are provided following an emergency situation which could include homelessness but may also includes incidences such as a flood or a fire.
- 1.3 The needs of individuals vary and may depend on the priority level SWF applications are assessed at but goods that may be required include but are not limited to flooring i.e. carpet and vinyl, white goods, general furniture i.e. wardrobes, chest of drawers, tables etc. curtains, sofas, bedding, cutlery, crockery etc.
- 1.4 Where possible, items that are no longer required that still considered as in good condition are refurbished and upcycled for reuse however new requirements are still needed to be purchased on a fairly regular basis.
- 1.5 Both Housing and SWF have historically used the Scotland Excel Domestic Furniture and Furnishings framework agreements with spend of circa £5 million per annum.
- 1.6 The requirements of this Agreement will be used by Housing when furnishing the temporary accommodation which is provided to applicants applying for housing under terms of the Housing (Scotland) Act 1987. For SWF the goods are provided in accordance with guidance provided to support the Welfare Funds (Scotland) Act 2015.
- 1.7 The requirements of the Agreement will replace existing and historical approaches that were provided by The Furnishing Service Limited.

2. Report

- 2.1 A group of technical and procurement representatives was formed to develop and agree the procurement strategy for the Agreement to enable the council to achieve maximum benefit for the requirements.
- 2.2 The initial estimated value of the Agreement dictated that the procurement procedure be undertaken in accordance with the Procurement (Scotland) Regulations 2016.
- 2.3 The procurement procedure was undertaken as a mini competition from the Scotland Excel framework agreement for Domestic Furniture and Furnishings – Lot 1 (the “Framework Agreement”).
- 2.4 Invitation to Tender documentation was issued to three companies appointed to the Framework Agreement with the council receiving three tender submissions.

- 2.5 This recommendation to award the Agreement follows the completion of a procurement procedure where CF Services Limited has been evaluated as demonstrating Best Value for the council.
- 2.6 Appendix 1 confirms the scoring achieved by each tenderer, further details of the procurement procedure is provided in Appendix 2 and the SME status and location of all tenderers is located within Appendix 3.

Financial / Budget Consideration

- 2.7 The pre-tender wholelife estimate budget for the Agreement was Seventeen Million Two Hundred and Fifty Thousand Pounds Sterling (£17,250,000) exclusive of VAT.
- 2.8 Following completion of the procurement procedure, the new rates tendered are, on average, 14.3% lower than the rates currently in effect under the framework agreement.
- 2.9 The costs associated with delivery of the Agreement will be contained within the H.R.A and Revenue budget for Housing and the Scottish Welfare Fund.

Price Stability

- 2.10 The prices submitted within the procurement shall remain fixed for 12 months. Thereafter they will be subject to an annual price review.

Community Benefits

- 2.11 The council is committed to maximising the delivery of community benefits. The procurement included a community benefit requirement, this approach is designed to deliver local community benefits where possible.
- 2.12 Within their tender, CF Services Limited committed to deliver the following community benefits within the Agreement:
- New job for an individual from a Priority Group
 - New job for an apprentice from a Priority Group
 - Work Experience for an individual aged 14 to 16 years of age
 - Financial support for a Community Project / Organisation
 - Non-financial support for a Community Project / Organisation
- 2.13 The number of community benefits provided will be in line with expectations set out in the Framework Agreement and the contract will be managed to ensure that the council receive the correct amount of community benefits due in line with the spend going through the Agreement.
- 2.14 The community benefits delivered as part of the Agreement includes the creation of jobs or apprenticeships.

Fair Work First

- 2.15 As part of the tender process for the Framework Agreement, Scotland Excel assessed areas such as how tenderers will commit to fair work practices and confirmation that staff in Scotland are paid a minimum of the real living wage or higher. As this was assessed within the procurement procedure of the Framework Agreement, it could not

be reassessed within the mini competition for the Agreement however CF Services Limited confirmed that that they pay the Real Living Wage to all employees and already have the associated accreditation.

Contract Management

- 2.16 Officers from Housing Solutions and Scottish Welfare Fund will be responsible for managing the Agreement which will be undertaken in accordance with the contract and supplier management conditions applied within the Agreement.

3. Measures of success

The Agreement will deliver the following outcomes;

- 3.1 Best Value has been considered to be demonstrated by CF Services Limited.
- 3.2 The appointment of a supplier who has the experience and capability to provide the requirements in an efficient form of arrangement.
- 3.3 Conclusion of a procurement procedure that is compliant with procurement legislation and internal procedures.
- 3.4 Delivery of a range of Community Benefits which will be contract managed by officers from both the Scottish Welfare Fund and Housing Solutions.

4. Supporting documents

Appendix 1	Summary of Tender Evaluation Process
Appendix 2	Summary of Procurement Process
Appendix 3	SME Status and Location of All Tenderers



Elaine Kemp
Chief Officer (Finance)

5. Impacts (<http://connect/report-template-guidance>)

5.1 Public Sector Equality Duty and Fairer Scotland Duty

Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty?

Yes No

If Yes, please provide a brief summary of the impact?

By providing furnished temporary accommodation we are ensuring service users have access to safe and secure accommodation which they can utilise pending the offer of long-term secure accommodation. Many of our service users present to the service with limited resources and do not have the means to furnish accommodation at the outset of their presentation. The lack of secure, furnished accommodation will ultimately have a detrimental impact on the overall wellbeing of the service users which in turn may impact their ability to integrate fully into society, find employment etc – the provision of furnished temporary accommodation ensures all services users are given equal support in relation to their housing needs.

If Yes, has an assessment been carried out and published on the council's website?

<https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments>

Yes No

5.2 Financial impact

Does the report contain any financial impacts?

Yes No

If Yes, have all relevant financial impacts been discussed and agreed with Finance?

Yes No

If Yes, please provide a brief summary of the impact?

Previous spend on domestic furniture is as noted below:

2021/22: - £3,804,832.37

2022/23: - £4,642,869.47

2023/24: - £5,043,386.14

The spend in 2021 was significantly lower than subsequent years as a result of the slower turnover of temporary accommodation resulting from the periodic restrictions in place as a result of the Covid pandemic. These restrictions had a direct impact on the number of homeless presentations received by the service and subsequent requests for temporary accommodation. However, as restrictions were lifted, presentations and requests for accommodation increased resulting in a higher turnover of accommodation and therefore more spend on domestic furniture for these properties. With the increasing difficulties society faces with the cost-of-living increases etc the service are continuing to experience further increasing demand on their homeless services and temporary accommodation and therefore it is anticipated that the levels of spend on domestic furniture for our temporary accommodation will increase further in the near future. It is anticipated that the cost of items being purchased will also increase in future frameworks and therefore securing the call off contract from the existing framework will help to minimise increases for our service at this time.

5.3	<p>HR policy impact</p> <p>Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p>
5.4	<p>Legal impact</p> <p>Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p>
5.5	<p>Data protection impact</p> <p>Does the report / project / practice contain or involve the processing of personal data? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
5.6	<p>Technology / Digital impact</p> <p>Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p> <p>Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)? Yes <input type="checkbox"/> No <input type="checkbox"/></p>
5.7	<p>Environmental / Carbon impact</p> <p>Does the report / project / practice contain information that has an impact on any environmental or carbon matters? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p> <p>The implementation of a supplier code of conduct that insists supply chain partners operate in the most environmentally conscious manner possible.</p>
5.8	<p>Communications impact</p> <p>Does the report contain any information that has an impact on the council's communications activities? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p>

5.9 Risk impact

Is there a risk impact?

Yes No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

An inability to provide Domestic Furniture could result in our inability to utilise temporary accommodation and fulfil our requirements in terms of Housing (Scotland) Act 1987.

5.10 Armed Forces Covenant Duty

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes No

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes No

Appendix 1 – Summary of Tender Evaluation Process

Final Rank	Tenderer Name	Total Tender Score (%)	Recommended for Award (Yes / No)
1	CF Services Limited	92.00	Yes
2	The Furniture Service Limited	88.81	No
3	New Two Limited	76.12	No

Appendix 2 – Summary of Procurement Process

	Response			
CPT Contract Reference Allocated:	NLC-CPT-24-059			
Procurement Procedure Utilised:	Mini Competition			
Governing Legislation / Regulations:	Public Contracts (Scotland) Regulations 2015			
Date Contract Strategy Approved:	05 September 2024			
Framework / DPS Owner:	Scotland Excel			
Framework / DPS Title:	Domestic Furniture and Furnishings			
Framework / DPS Reference Number:	2019			
Lot Reference / Title:	Lot 1 – New Furniture			
Companies Appointed to Framework / Lot:	3			
Number of Companies Invited to Take Part:	3			
Date ITT Published:	06 September 2024			
Tender Platform Utilised:	PCS-Tender (PCST)			
Tender Return Deadline:	27 September 2024			
Number of Tenders Received:	3			
Tenders from SME's:	3			
Tenders from NLC Based Tenderers:	0			
Tenders from Supported Businesses:	0			
Number of Non-compliant Tenders:	0			
Number of Compliant Tenders:	3			
Number of Recommended Tenderers:	1			
Basis of Award:	Quality:	30%	Price:	70%
Evaluation Team:	Officers from Housing Solutions			
Anticipated Start Date of the Agreement:	13 January 2025			
Total Agreement Period (Months):	36 months (24 + 12)			
Awarded Value of the Agreement:	£17,250,000			

Appendix 3 – SME Status and location of all Tenderers

Name of Tenderer	Size of Tendering Organisation (Micro, Small, Medium or Large)	Location (Local Authority / Council Area)
CF Services Limited	SME	Glasgow
New Two Limited	SME	Glasgow
The Furnishing Service Limited	SME	South Lanarkshire