

**Committee: Not applicable**

**Date: 9<sup>th</sup> December 2022**

Wards: All

**Subject: Award of a contract for the furniture elements of the Merton Office of the Future Workplace Design project**

Lead officer: Louise Round, Interim Executive Director of Innovation and Change

Lead member: Councillor Billy Christie, Cabinet Member for Finance and Corporate Services

Contact officer: Edwin O'Donnell, Head of Facilities Management

---

**Recommendations:**

- A. To place an order with PI Group for the furniture elements of the Merton Office of the Future Workplace Design Project for an initial 2 floors via a direct award through lot 12 from the NHS workplace consultancy and fit-out framework (Workplace Consultancy and Interior Fit Out (Design)).
  - B. To request authority be delegated to the Interim Executive Director of Innovation and Change to exercise, in consultation with the Cabinet Member for Finance, approval for expenditure on additional floors.
- 

**1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. The purpose of this report is to explain the procurement process for the furniture elements of the Merton Office of the Future Workplace Design project and to recommend approval of the award of a contract to fit out 2 floors of the civic centre as detailed within **Appendix A**.
- 1.2. The tender process involved appointing Pi Group, the Council's retained design consultants via a direct award through lot 12 from the NHS workplace consultancy and fit-out framework (Workplace Consultancy and Interior Fit Out (Design)), to procure the furniture elements of the project.

**2 DETAILS**

- 2.1. Pi Group were initially appointed to provide design services for the remodelling of space at Merton Civic Centre. For the furniture element of the project, it is critical to retain their expertise to give continuity from start to finish of the project. In return for a fixed fee, Pi have been engaged to manage a competitive procurement process through Lot 12 of the NHS workplace consultancy and fit-out framework (Workplace Consultancy and Interior Fit Out (Design) - NHS SBS). This is a One stop Shop Furniture and associated products.
- 2.2. The procurement approach carried out on Council's behalf by Pi has used a range of robust evaluation criteria, including: extensive market research, shortlisting suppliers using pre-qualification questionnaire, confirmation of minimum standards and appropriate certification. Initial price evaluations have been analysed and reviewed against cost and quality of products to produce a

final selection of items for purchase. Installation of furniture and fittings from different suppliers selected will be managed by Pi Group as part of their fixed fee.

- 2.3. A separate procurement exercise is being undertaken for the associated physical refurbishments associated with this design process, which will be the subject of a further report.

### **3 ALTERNATIVE OPTIONS**

- 3.1. Procurement options included combining the physical infrastructure improvements with furniture as one package or tendering the furniture elements in-house.
- 3.2. The combined package approach was not pursued because the two parts of the fit-out project require different expertise. These skills are not available within the organisation and retention of the design consultants is recognised as vital to the success of the furniture element and overall delivery of the project. This includes a commitment to post occupancy evaluation and assessment of on-going requirements.

### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. The approach outlined and followed for this procurement was initially conveyed at the Operational Procurement Group (OPG) on 7 July 2022.
- 4.2. Legal Services and Finance have been consulted and their comments incorporated within the report.
- 4.3. The design process has included engagement and consultation with key stakeholders who will be occupying the space.

### **5 TIMETABLE**

- 5.1. The table below sets out the proposed programme for engaging the recommended supplier.

| <b>Event</b>                                      | <b>Date</b>          |
|---|----------------------|
| Appoint Pi to carry out procurement exercise      | August 2022          |
| Deadline for receipt & evaluation of tenders      | End Sept 2022        |
| Corporate Services Departmental Procurement Group | w/c 12 December 2022 |
| Call-in period                                    | 13 -16 December 2022 |
| Contract commencement date                        | 19 December 2022     |

## **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. The Merton Office of the Future Project aims to provide fit for purpose, modern office accommodation at the civic centre, which in property terms will allow the Council to use its office space more efficiently. The initial pilot project on the 7<sup>th</sup> floor of the building will facilitate the relocation of SLLP from Gifford House and release that building for disposal or redevelopment.
- 6.2. The innovative furniture solutions that form part of this design are portable. Therefore, the Council would have the flexibility to re-site and re-use this furniture either elsewhere within the existing civic centre or at another site in future if required.
- 6.3. The cost of the purchase of the furniture for the redesigned accommodation is £472,873. Pi Group advise that based upon current inflation in 2022, a 12% increase in prices should be anticipated for any additional floors to be completed in next financial year. This will be funded through a combination of Recovery and Modernisation Plan (RMP) reserves and OCPD reserves.
- 6.4. A credit check has been carried out on Pi Group and the recommended contracts values are £600,000 for a single contract and £1,500,000 for all contracts.

## **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. The Framework identified in the report is open for the Council to utilise and such use is provided for in Contract Standing Order (CSO) 12. The Council should check with the framework owner that there is sufficient funding remaining within the framework for the proposed award.
- 7.2. The framework provides for both mini competition and direct awards to suppliers within relevant lots and Pi Group Limited is awarded to the identified lot. The Council must retain evidence that it has complied with the rules laid down in the framework, which provide for direct communication and contract formation with the supplier. The Council should also seek assurance through the contract that the supplier shall adhere to the framework requirements to comply with applicable stipulations where the goods and services relate to lots 1-11 (which is provided for within the framework).
- 7.3. The Council is entitled to make the delegation to an officer (in this case Executive Director of Innovation and Change) to carry out relevant functions under section 9E of the Local Government Act 2000.
- 7.4. Once awarded the contract must be entered onto the Council's contract register and the relevant information published on Contracts Finder in accordance with the Council's Standing Order 19 and the Public Contracts Regulations 2015 under regulation 108.

## **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 8.1. The successful supplier must, in carrying out its functions, have due regard to the need to eliminate unlawful discrimination and harassment and to promote equality of opportunity in relation to disability, race and gender and the need to take steps to take account of disabilities, even where that involves treating the disabled more favourably than others (section 13(3) Equality Act 2010).

**9 CRIME AND DISORDER IMPLICATIONS**

9.1. There are no crime and disorder implications relating to the subject of this report.

**10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

10.1. Pi Group have successfully completed satisfactory financial checks as well as checks on competency in delivery of similar contracts.

**11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

11.1 Appendix A – PI group Evaluation Report

**12 BACKGROUND PAPERS**

12.1. Agreed 7<sup>th</sup> and 1<sup>st</sup> floor layouts

| Department Approval | Name of Officer | Date of Comments              |
|---------------------|-----------------|-------------------------------|
| Legal               | Jonathan Miller | 6 <sup>th</sup> October 2022  |
| Finance             | Barbara Ncube   | 11 <sup>th</sup> October 2022 |