

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON OCTOBER 18, 2016
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	TENDER 16-97 SUPPLY, DELIVERY AND INSTALLATION OF STEELCASE INC. TENDER 16-98 SUPPLY, DELIVERY AND INSTALLATION OF DIRTT WALL SYSTEMS TENDER 16-99 THE SUPPLY, DELIVERY AND INSTALLATION OF HERMAN MILLER INC. IRREGULAR RESULTS

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions **BE TAKEN** with respect to award of contracts for the Supply, Delivery and Installation of Office Furniture (Steelcase Inc. and Herman Miller Inc.) and the Supply, Delivery and Installation of DIRTT Wall Systems:

- (a) The bids submitted by:
- i. POI Business Interiors (T16-97), 201 Queens Ave., Suite 2, London, On., N6A 1J1,
 - ii. Verto360 (T16-98), 476 Richmond St., 2nd floor., London, On., N6A 3E4, and
 - iii. Facility Resources (T16-99), 1535 North Routledge Park, London, On., N6H 5L6,
- BE ACCEPTED**, it being noted that the bids submitted by POI Business Interiors, Verto360 and Facility Resources were irregular results (only one bid received for each tender), however the bids meet the City's terms, condition and specifications;
- (b) Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with these purchases; and
- (c) Approval hereby given **BE CONDITIONAL** upon the Corporation entering into formal contracts or having a purchase orders, or contract records relating to the subject matter of this approval

PERTINENT REPORTS RELATED TO THIS MATTER

- July 19, 2016 – Standardization of Office Furniture and Moveable Wall Systems
- October 20, 2010 – Office Furniture/ Wall Systems, Board of Control Report

BACKGROUND

PURCHASING PROCESS:

The City issued tenders through the Biddingo website for the following products:

- i. Steelcase Inc. Office Furniture (T16-97),
- ii. DIRTT Wall Systems (T16-98), and
- iii. Herman Miller Inc Office Furniture. (T16-99)

These tenders all closed on August 31, 2016.

As part of their submissions, bidders were instructed to provide percentage discount off list price for their various products.

One (1) bid was received for each tender. The submissions were reviewed by staff from Purchasing & Supply and Facilities to ensure compliance to the tender requirements. The bids did meet the City's specifications and requirements in all areas.

As only one (1) bid was received for each tender; it is considered an irregular result under Schedule A of the Procurement of Goods and Services Policy and is being reported as such.

Steelcase Inc. Office Furniture (T16-97)

One (1) bid was received from POI Business Interiors for Steelcase Inc. Office Furniture products. The submission was reviewed by staff from Purchasing & Supply and Facilities to ensure compliance to the tender requirements. The bid met the City's specifications and requirements in all areas.

POI Business Interiors currently provides the City of London with percentage discounts for Steelcase product categories that range from 40% to 54% off list price. At a minimum, the discounts received from POI Business Interiors remain unchanged. Further discounts have been identified for six (6) of their products which will result in additional savings from the previous contract.

DIRTT Wall Systems (T16-98)

One (1) bid was received from Verto360 for DIRTT Wall Systems. The submission was reviewed by staff from Purchasing & Supply and Facilities to ensure compliance to the tender requirements. The bid meets the City's specifications and requirements in all areas.

Verto360 currently provides the City of London with a percentage discount for the DIRTT WALL Systems in the amount of 8%. The bid received from Verto360 provided a discount pricing structure of 5% for costs up to \$75,000.00 and a discount of 10% for costs over \$75,000.00.

Herman Miller Inc. Office Furniture (T16-99)

One (1) bid was received from Verto360 for DIRTT Wall Systems. The submission was reviewed by staff from Purchasing & Supply and Facilities to ensure compliance to the tender requirements. The bid meets the City's specifications and requirements in all areas.

Facility Resources currently provides the City of London with percentage discounts for Herman Miller office furniture product categories that range from 48% to 70% off of list price. The discounts received from Facility Resources remains the same.

BACKGROUND:

On July 26, 2016 Council approved the standardization of Steelcase and Herman Miller office furniture and DIRTT wall systems for the purchase and installation for current and future renovation projects at city owned and leased facilities, noting that continued standardization would create efficiency, contain costs and minimize inventories.

Purchasing & Supply was asked to seek competitive pricing for supply, delivery and installation of Steelcase and Herman Miller office furniture and for supply, delivery and installation of DIRTT wall systems.

Based on historical data from 2015, it is anticipated that the following values of office furniture and wall systems will be purchased per year:

- i. POI Business Interiors (Steelcase) - \$590,000,
- ii. Facility Resources (Herman Miller) - \$210,000, and
- iii. Verto360 (DIRTT Wall Systems) - \$197,500.

FINANCIAL IMPACT:

Funding is provided through various Service Area’s operating and capital accounts.

ACKNOWLEDGEMENTS:

This report was prepared by John Devito, Facilities Design & Construction and Billy Sevier, Purchasing and Supply.

SUBMITTED BY:	REVIEWED AND RECOMMENDED BY:
JOHN DEVITO, P.ENG MANAGER, FACILITIES DESIGN & CONSTRUCTION	TIM WELLHAUSER, C.I.M. DIVISION MANAGER, FACILITIES
REVIEWED AND RECOMMENDED BY:	RECOMMENDED BY:
ANNA LISA BARBON, CPA, CGA DIRECTOR, FINANCIAL SERVICES	MARTIN HAYWARD, BA, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES & CITY TREASURER, CHIEF FINANCIAL OFFICER

cc: John Freeman, Manager, Purchasing and Supply