

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, CPA, CGA
Deputy City Manager, Finance Supports

Subject: Single Source – Furniture and Wall System Contracts
Extensions

Date: November 22, 2021

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken:

- a) The extension of existing furniture contracts with POI Business Interiors and Raven Studios formally known as Facility Resources as well as the wall system contract with Verto360 for one (1) year, with four (4) additional one (1) year extensions in accordance with Section 14.4 (d) of the Procurement of Goods and Services Policy **BE ACCEPTED**;
- b) The Civic Administration **BE AUTHORIZED** to undertake all administrative acts which are necessary in connection with this approval; and
- c) The approval given herein **BE CONDITIONAL** upon the Corporation entering into formal contracts or having a purchase order, or contract records relating to the subject matter of this approval.

Executive Summary

Council approved the award of furniture contracts to POI Business Interior and Raven Studios and the wall system contract to Verto360 for two (2) years and three (3) one (1) year extensions in October 2016.

Approximately 85% of the furniture in various facilities are Steelcase products and the majority of the moveable wall systems are DIRTT wall systems.

As detailed in the Master Accommodation Plan Alternative Work Strategies (MAP-AWS) report, the City's transition plan will see the implementation of pilot projects for selected service areas. During the implementation of these pilot projects, there will be a need to procure additional furniture and moveable wall systems, where necessary, that will be compatible with existing furniture and wall systems.

Linkage to the Corporate Strategic Plan

Leading in Public Service

The City of London is a leader in public service as an employer, a steward of public funds, and an innovator of service. Maintaining a safe and healthy workplace. Maintaining London's finances in a transparent and well-planned manner to balance equity and affordability over the long term. Enhance the ability to respond to new and emerging technologies and best practices.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Standardization of Office Furniture and Moveable Wall Systems (July 19, 2016 Corporate Services Committee)

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 (October 18, 2016 Corporate Services Committee)

2.0 Discussion and Considerations

2.1 Context

In 2016, Council approved the standardization of furniture manufactured by Steelcase and Herman Miller, and wall systems manufactured by DIRTT Environmental Solutions. The City tendered for the supply, delivery and installation of the products which were awarded to POI Business Interiors, Raven Studios and Verto360.

Over the past ten (10) years the Corporation has focused on standardizing office furniture and moveable wall systems. As the Corporation begins the transition to MAP-AWS it is anticipated that existing furniture and wall systems will need to be modified thus requiring the utilization of these standardized products to ensure that we maintain consistency as we develop and implement AWS within existing space.

Civic Administration will re-evaluate our furniture and wall system needs as part of our implementation plan as we progress through the MAP-AWS project.

2.2 Recommendation

It is recommended that contracts with POI Business Interiors (Steelcase), Raven Studios (Herman Miller) and Verto360 (DIRTT Environmental Solutions) be extended in accordance with Section 14.4 (d) of the Procurement of Goods and Services Policy.

“There is a need for compatibility and/or services previously acquired or the required goods and/or services will be additional to similar goods and/or services being supplied under an existing contract (i.e., contract extension or renewal)”

The extension of these contracts will help to ensure a certain level of continuity for products and services required, as the MAP-AWS transition plan is implemented.

Steelcase Inc. Office Furniture

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. The discounts received from POI Business Interiors remain unchanged.

DIRTT Wall Systems

Verto360 currently provides the City of London with a percentage discount for the DIRTT WALL Systems 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. The discounts received from Verto360 remain unchanged.

Herman Miller Inc. Office Furniture

Raven Studios 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 Raven Studios remains unchanged.

Rationale that supports these single source recommendations are as follows;

- To maintain standards established over the past 10 years;
- Ensure compatibility with new and existing furniture;
- 85% of the furniture at various City facilities are Steelcase products;
- Ensure compatibility with existing wall systems, we can only modify/expand our current wall systems using products supplied by the original manufacturer; and
- Advance the MAP-AWS transition plan pilot projects in a timely manner.

3.0 Financial Impacts/Considerations

Since 2016, the approximate 5 year (2016 to 2020) average of costs associated with the POI Business Interiors, Raven Studios, and Verto360 contracts is \$782,410. Civic Administration confirms that the estimated costs of the furniture and wall system contracts will be within the Council approved 2021 to 2023 operating and capital budgets for furniture and equipment additions and replacements.

Additionally, it is important to note that any expenditures incurred implementing these MAP-AWS pilot projects will reduce the financing required for the final implementation of the MAP. Pilot projects will help inform the final MAP recommendations and funding requirements.

Conclusion

Civic Administration recommends that the existing furniture contracts with POI Business Interiors and Raven Studios as well as the wall systems contract with Verto360 be extended for one (1) year with four (4) additional one (1) year extensions to ensure that any modifications to support AWS are compatible with existing furniture and wall systems standards.

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