

REPORT TO: EDUCATION COMMITTEE - 10 DECEMBER 2007

REPORT ON: PPP SCHOOLS - PROCUREMENT OF FURNITURE AND EQUIPMENT

REPORT BY: DIRECTOR OF EDUCATION AND CITY ARCHITECTURAL SERVICES OFFICER

REPORT NO: 604 - 2007

1.0 PURPOSE OF REPORT

1.1 This report details tenders received for the supply of loose furniture and equipment for the schools in the PPP Project and requests a decision on the acceptance of the revised lowest tender and approval of additional expenditure required to fit-out the PPP schools.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee:

- (i) approve the acceptance of the revised lowest tender submitted by KM Furniture Ltd (trading as EFM) in the amount of £1,362,353.02 and allowances for additional expenditure on furniture, equipment and professional services amounting to £510,263.56 giving a total cost of £1,872,616.58; and
- (ii) note that where required under Standing Orders reports on additional expenditure will be made to Committee once firm prices are obtained.

3.0 FINANCIAL IMPLICATIONS

3.1 The cost of procuring loose furniture and equipment for the PPP schools can be met from the provision of £1.96m in the approved Capital Plan.

4.0 MAIN TEXT

Introduction

4.1 On 31 March 2003 the Education and Policy and Resources Committees approved the removal of the provision of loose furniture and equipment from the Schools PPP Project and agreed that the budget for such provision be included in the Council's Capital Plan. Subsequently on 16 April 2007 the Education Committee agreed that an order for 68 bespoke woodwork benches be placed with Dovetail Enterprises Ltd at a total cost of £67,263.56 and that this sum be met from the budget included in the Capital Plan.

Invitation to Tender

4.2 Following EU advert, nine firms were invited to submit tenders for a wide range of furniture and equipment including chairs, desks, tables, cabinets, cupboards, storage units and educational equipment on the basis that to obtain the best price ideally a single contractor should provide the entire range of items covered in the tender.

4.3 The invitation to tender also stipulated that the furniture and equipment are to be supplied in nine tranches between March 2008 and November 2009 as each school building (or phase in the case of Grove) is occupied by the Council.

Tender Report

4.4 Five tenders were received, details of which are as follows:

Contractor	Tender Amount	Corrected Amount
1 British Thornton ESF Ltd, Keighley	£62,811.00	part offer only
2 KM Furniture Ltd (Trading as EFM), Chesterfield	£1,382,266.30	£1,476,052.74
3 Remploy Furniture, Port Talbot	£1,711,436.67	£1,704,515.97
4 ESA McIntosh Ltd, Kirkcaldy	£1,801,528.18	£1,801,515.01
5 Dovetail Enterprises, Dundee	£2,004,358.14	£2,004,358.14

British Thornton ESF Ltd only priced the items that they manufacture and their offer has not been considered.

4.5 All the tenders were incomplete in that none of the tenderers had priced all of the items but a detailed examination of all the offers revealed that KM Furniture Ltd had priced the majority. In view of the considerable increase in price to the next offer, discussions were held with the company to ascertain whether they could supply all the items and it was subsequently confirmed that they could.

4.6 This led to a detailed examination of the items which KM Furniture Ltd had priced and following the provision of supplementary information, alternative specifications and visits to their premises, a final amount was ascertained which brings out the following:

Revised Amount of Tender from KM Furniture Ltd (trading as EFM) £1,362,353.02

Allowances for:

Professional services (Architectural Services Division)		£25,000.00
Dovetail Enterprises Ltd (previously approved)		£67,263.56
Provision for - Performance Bond	£15,000.00	
Speakers/sound/light equipment	£40,000.00	
Catering Equipment	£20,000.00	
Fitness Equipment	£70,000.00	
Furniture Maintenance System	£30,000.00	
Telephones	£140,000.00	
Relocation/fitting of existing equipment	£60,000.00	
Contingency (2.5%)	£43,000.00	£418,000.00
TOTAL		£1,872,616.58

Subsequent Reports

4.7 Where required under Standing Orders, reports on the additional items listed in section 4.6 above will be made to Committee once firm prices are obtained.

5.0 POLICY IMPLICATIONS

5.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

5.2 There are no major issues.

6.0 CONSULTATIONS

6.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance) and Head of Finance were consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

7.1 None

Anne Wilson
Director of Education

30 November 2007

Rob Pedersen
City Architectural Services Officer

30 November 2007