



Report to: General Committee

Date Report Authored: November 9, 2015

SUBJECT: Request for Proposal 084-R-15 for supply, delivery,
installation and storage of new Office Furniture

PREPARED BY: Renee England, Project Engineer, Ext. 2674
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RECOMMENDATION:

- 1) That the report entitled "Request for Proposal 084-R-15 for supply, delivery, installation and storage of new Office Furniture be received";
- 2) That contract "084-R-15" for supply, delivery, installation and storage of new Office Furniture be awarded to the Highest Ranked / Lowest Priced Bidder Amovo Workplace Environments ("Amovo");
- 3) That Amovo be the approved distributor (known as the "Distributor") of office furniture for all City of Markham facilities for a six year term;
- 4) That Allsteel Furniture be approved as manufacturer (known as the "Manufacturer") for new office furniture for all City facilities for a six year term;
- 5) That the Director, Asset Management and the Senior Manager of Purchasing be authorized to finalize an agreement with the Distributor Amovo in a form satisfactory to the City Solicitor;
- 6) That Staff be authorized to adjust the purchase orders in years 2- 6 for a price escalation allowance based on the Consumer Price Index (CPI), Canada All-items, for the previous twelve (12) month period December to December (to a maximum amount of 3.5%);
- 7) That the Staff be authorized to issue a purchase order in an annual amount of \$100,000 for Corporate Accommodations or related projects as approved by Council during the annual budget process for the term of this contract;
- 8) That the annual amount be funded from the Corporate Accommodation accounts 750-101-5399-14242, 750-101-5399-15254 and 750-101-5399-16191;
- 9) That future Corporate Accommodation Capital requests will be made as part of the annual Capital Budget process, subject to Council approval;
- 10) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to authorize the award of a contract for supply, delivery, installation and storage of new Office Furniture for a six year term and to finalize an agreement with the Distributor Amovo for price discounting of standard and non-standard office furniture and to establish them as the distributor for standard corporate office furniture.

BACKGROUND:

In 1990 Council approved Steelcase Inc. as the standard for office furniture for the Civic Centre through a Request for Proposal process. Subsequently in 2004 and 2011, Council reaffirmed Steelcase Inc. as the standard office furniture manufacturer of choice for systems (workstation) furniture at all City facilities.

Each year, subject to renovations, building of new facilities, and/or changing in staffing levels, the City purchases new furniture and components to supplement existing furniture. Currently, the office furniture at the Civic Centre is comprised predominantly of the Steelcase product line. During recent renovations at 8100 Warden and the Civic Centre (third floor) Steelcase product lines were installed.

Since the previous approval, Staff undertook an evaluation of office furniture services. Due to the long relationship with Steelcase and given the opportunity to explore the current office furniture market it was determined that the City's best option was to issue an open Request for Proposal (RFP). A consulting firm was engaged to assist with determining requirements, establishing standard layouts and developing the detailed specifications. Staff then issued RFP 084-R-15 to the open market.

DISCUSSION:

The City purchases and/or reconfigures existing office furniture each year for renovations, new facilities, service/business changes and organizational changes. The priority is always to control costs through re-use or re-configuration of existing furniture and only supplement existing furniture with new where necessary. Although the product lines are different (Answer Series and Context by the manufacturer Steelcase and Terrace by the manufacturer AllSteel) the look of each type of system furniture are similar in appearance and will complement each other in the same space.

The RFP was issued to the market seeking a supplier to provide supply, delivery, installation and storage of new office furniture product(s) including but not limited to seating, storage and systems furniture.

In addition, the supplier is to provide the following for existing furniture:

- Storage of Steelcase furniture components (Answer, Montage and Context Series – multiple generations), seating, files and other miscellaneous furniture on an as required basis
- Provide installation expertise and services to reconfigure existing components
- Manage and track off-site storage for all surplus products

BID INFORMATION:

Advertised, place and date	ETN
Bids closed on	May 26, 2015
Number of Bidders picking up RFP document	11
Number of Bidders responding to bid	3

PROPOSAL EVALUATION

The evaluation team was comprised of Asset Management and a Consultant facilitated by Purchasing. The evaluation was based on pre-established evaluation criteria as detailed in the Request for Proposal:

The proposals were evaluated against the pre-established evaluation criteria as outlined in the RFP: 15 points for Experience of Supplier; 15 points for Qualification of the Bidder's key personnel; 10 points for Project Understanding, Quality Management, Product Delivery and Sustainable Design; 15 points for Technical Capability; 15 points for Aesthetics and 30 points for Price, totaling 100 points.

Resulting scores as follows:

Distributor (Supplier)	Manufacturer	Score (out of 100)
Amovo Workplace Environments	AllSteel Furniture	74.99
POI Business Interiors Inc.	Steelcase Inc.	70.98
Harkel Office	Inscape Solutions	69.47

Furniture Acquisition Costs

For consistency among bidders the furniture prices submitted were based on standard office layouts and specifications developed by our Consultant and City Staff. Layouts were in keeping with what the City presently has for work station units. From this RFP process the lowest cost for a typical office work station is \$1,853.68 by Amovo while the highest cost was \$3,521.72.

Labour / Installation Acquisition Costs – Hourly rate per hour

	Amovo Workplace Environments	Highest Priced Bidder
Installation Rate: Evening (5pm-6am)	\$35.00	\$60.50
Installation Rate: Evening (5pm-6am) - Supervisor	\$35.00	\$60.50
Installation Rate: Weekend (Saturday and Sunday)	\$52.50	\$57.75
Installation Rate: Weekend (Saturday and Sunday) – Supervisor	\$52.50	\$57.75

Note: It is imperative that the successful candidate offer the services to disassemble and re-assemble and reconfigure the three existing types of Steelcase furniture in addition to their own product line. Amovo Workplace Environments have confirmed through their submission that they are able to perform this work. The Distributor Amovo deals with various other manufacturers outside of system furniture. The City intends to negotiate

discounted pricing for items such as seating, shelving, cabinets, furnishings for meeting rooms and entrance areas, etc. within this contract.

Storage Costs

	Amovo Workplace Environments	Highest Priced Bidder
Storage Rate: \$/ft ² x 100ft ²	\$ 40.00	\$185.00
Handling Rate (In/Out Charges): \$/hr x 10 hrs	\$350.00	\$420.00

Amovo (Distributor)

Amovo's and its warehouse operations are located in the Vaughan area, close to Markham. They are the distributor of AllSteel Furniture in the GTA. Amovo will be tasked with introducing a new product line, Terrace by Allsteel, while blending three types of old system furniture (Steelcase: Montage, Answer and Context Series).

Amovo will also take over the storage and inventory control of all spare parts associated with the City's office furniture. The warranty ranges from lifetime on some items to 1 year for power supplies.

Allsteel Furniture (Manufacturer)

Allsteel is level-2 certified for Business Institution Furniture Manufacturers Association (BIFMA) Sustainability Standard which takes into account a company's social actions, energy usage, material selection and human and ecosystem health impacts. In Toronto Allsteel has also achieved LEED gold for Commercial Interiors certification.

Allsteel Furniture is the second largest office furniture supplier in the industry. The line of furniture selected through Allsteel Furniture is similar in style to that of Answer Series by Steelcase.

Product Quality

Sweeney Dale Interior Design Inc. (Consultant) has been involved throughout this RFP process. The specifications, layouts and tender document were the result of collaboration between staff, and the expert experience that the Consultant provided. As part of the evaluation process staff and the consultant conducted an onsite review of the manufacturer's office furniture to ensure they met the requirements of the RFP and were aesthetically acceptable.

Additionally, staff undertook references to ensure the product provides for easy configuration, longevity, lifecycle and warranty. The references were satisfactory. It is staff's and the consultant's opinion that the Allsteel products are similar to the City's more recent purchases of office furniture. Therefore, Staff recommends awarding the contract for the supply, delivery, installation and storage of new Office Furniture to the Highest Ranked / Lowest Priced Bidder, Amovo, a distributor of AllSteel Furniture.

FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)

The following accounts will be used to fund future furniture purchases as stated in the report.

Account Name	Account #
Corporate Accommodations 2014	750-101-5399-14242
Corporate Accommodations 2015	750-101-5399-15254
Corporate Accommodations 2016	750-101-5399-16191

Staff estimate an annual amount of \$100,000 will be required for Corporate Accommodations or related projects.

The \$100,000 is broken down into the three categories:

- Furniture \$ 35,000
- Labour / Installation \$ 40,000
- Storage \$ 25,000
- Total \$100,000

Note: Any future Corporate Accommodation Capital requests (2017- onwards) will be made as part of the annual Capital Budget process and subject to Council approval.

The City will enter into negotiations with the Amovo Workplace Environments for their full range of product and services, similar to previous long standing office furniture contracts.

The agreement with Amovo will include firm prices for the first year of the contract term and escalate with a CPI index for each additional year, based on the percentage change in the posted All-items CPI (Consumer Price Index) for Canada for the previous twelve (12) month period December to December (not exceeding a 3.5% increase)

HUMAN RESOURCES CONSIDERATIONS

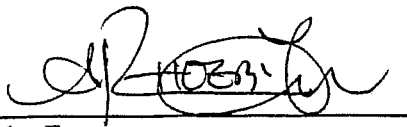
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ALIGNMENT WITH STRATEGIC PRIORITIES:

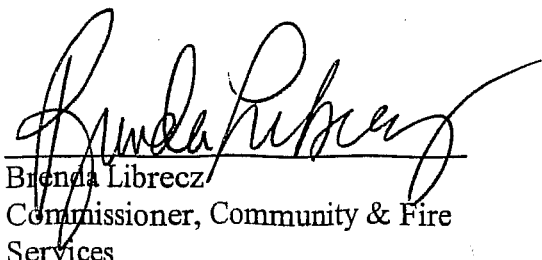
N/A

BUSINESS UNITS CONSULTED AND AFFECTED:

Asset Management and Purchasing Department worked jointly in the preparation of this report.

RECOMMENDED BY:


Phoebe Fu
Director Asset Management



Brenda Librecz
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