



Report to: General Committee

Date Report Authored: April 19, 2011

SUBJECT: 014-S-10 Purchase, Supply and Deliver Office Furniture

PREPARED BY: Brian Millar, ext. 6190 and Phoebe Fu, ext. 3010
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RECOMMENDATION:

- 1) THAT the report entitled “014-S-10 Purchase, Supply and Deliver Office Furniture” be received;
- 2) THAT Council reaffirm Steelcase Inc. as the preferred supplier of office furniture for all Town facilities for a one (1) year term, with an option to renew for one (1) additional year;
- 3) THAT Prestige Office Interiors be approved as the distributor of office furniture for a one (1) year term, with an option to renew for one (1) additional year ;
- 4) THAT the Mayor and the Clerk be authorized to execute an agreement with Prestige Office Interiors to purchase Steelcase Inc. system furniture in a form satisfactory to the Town Solicitor;
- 5) THAT the Request for Proposal process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7.1 (h), Non-Competitive Procurement, where it necessary or in the best interests of the Town to acquire non-standard items or Consulting and Professional Services from a preferred supplier or from a supplier who has a proven track record with the Town in terms of pricing, quality and service;
- 6) THAT Asset Management undertake an evaluation of the office furniture services and report back on results and recommendation for an RFP program;

AND 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 obtain Council approval to establish Steelcase Inc. as the preferred supplier for corporate standard office furniture and approval to utilize Prestige Office Interiors (POI) as the authorized distributor.

BACKGROUND:

In 1990 Council approved Steelcase Inc. as the standard for workstations and the product of choice to furnish the Civic Centre through a Request for Proposal process. Subsequently in 2004, Council reaffirmed Steelcase Inc. as the office furniture manufacturer of choice for systems (workstation) furniture at the Civic Centre, and that the manufacturer of choice designation, for systems furniture, be extended to all Town facilities.

Each year, subject to renovations and/or building of new facilities, changing in staffing levels, etc. the Town purchases new Steelcase furniture and components to supplement existing furniture where necessary to purchase new system furniture. Currently, the office furniture at the Civic Centre is composed of 80% Steelcase “Context” product line. During the recent space planning initiatives, the “Answer” and “Montage” product lines have been installed at 8100 Warden (Waterworks, Waste Management, Asset Management and Fire Departments), Civic Centre third floor renovations (Sustainability, Real Property, Corporate Communications, and Building Departments), Museum Collections Building and the new Convergence Centre.

Note: By specifying Answer and Montage product lines, the average cost per work station for the Town is now \$2,500-\$3,500 compared to previous years when Context product lines were specified at an average cost of \$4,000 - \$6,000. This reduction is due to the differences in style, value, and configuration between the product families, as well as deliberate design changes to the size, height and arrangement of workstations.

In the near future, Steelcase system furniture will be included as part of the work for the Varley Art Gallery expansion, Fire Station 99 (Cornell), East Markham Community Centre & Library and 2011 approved space planning budget at the Civic Centre and Miller Avenue.

The current Town methodology for procurement of system furniture is to utilize the space planning and design contract 061-R-09 (Mayhew & Associates) as approved by Council on April 13, 2010. This 1 year contract (expires April 20, 2012 with an option for a 2 year extension) provides ‘turn-key’ administrative services for space planning projects including design, furniture planning and purchasing, move management, construction tendering on behalf of the town, and the processing of invoices relating to project requirements. Steelcase products are only available through authorized dealers and Mayhew & Associates currently uses POI as the preferred dealer due to their preferred discount they receive from Steelcase.

DISCUSSION:

Steelcase Inc.

Staff recommends that Steelcase Inc be identified as the preferred supplier of office furniture for all Town facilities for the following reasons:

- **Provides consistency across Town** - Maintaining consistent look and design throughout the Town provides equality among employee work spaces.
- **Provide long term commitment of parts** - Steelcase have committed to the long term availability of standard finishes and colours ensuring consistency within and among facilities and maximizing the ability to interchange, retrofit, or re-use components.

- **Flexibility for meeting future Town needs** - Steelcase furniture consists of interchangeable components. This allows for multiple configurations to meet the varying demand and maximum redeployment of existing furniture, providing flexibility for wide range of configurations.
- **Efficient delivery of corporate accommodations** - the current furniture purchase arrangement (via Mayhew through POI) provides a streamlined space planning process without time consuming procurement processes for each individual project. In addition, using one supplier's products reduces the time for space planning design, installation, reconfiguration, parts and service.
- **Provides the Town with good value** - By purchasing through a single supplier, the Town can obtain discounted volume pricing.
- **Provides quality products** - Steelcase products have a proven track record for quality and durability. Steelcase offers a life time warranty for workstations and a 10 year warranty on seating mechanisms. In addition, integration of replacement parts and components is assured. They are stocked indefinitely regardless of the date of manufacture for ready availability.
- **Standard asset management practices** – consistency in utilizing proven products provides standardized life cycle management practices with known life expectancy and reduced risk of unsatisfactory performances requiring premature replacements with an unknown supplier.
- **Provides a sustainable solution** - Steelcase furniture is also 73% recyclable which includes sustainable fabric skins and work surface supports. The work surface supports are PVC free, recyclable and re-usable.

Staff recognizes that Steelcase products might not be the best solution for the Town in all instances. End use considerations will be evaluated on a case by case basis to ensure that the most appropriate solution is delivered at all times.

Overall, allowing for project-by-project approach to furniture acquisition would result in increased administration burden, incompatibility of system furniture that limits future reconfiguration, varied life cycle of assets, inability to obtain volume purchasing discounts from furniture vendors, an expanded variety of parts and service suppliers to track and administer. Therefore, it is in the best interest of the Town to select Steelcase as the preferred supplier for system furniture based on their proven track record in terms of pricing, quality and service.

Prestige Office Interiors (POI)

Steelcase products are only available through authorized dealers, of which, there are 3 in GTA namely POI, Mayhew and Associates, and, Bowen Business Furniture. Staff has previously requested pricing from other dealers, however, they decline to bid against POI given their preferred discount from Steelcase for the Town.

Staff recommends that POI be approved as the preferred distributor of office furniture for the following reasons:

- Staff has received confirmation that Steelcase has extended a preferred discount to POI due to their 20 year relationship with the Town.
- POI has developed an understanding of the Town's facility needs and has worked co-operatively with the Town's space planning consultant to develop the Town's standard.
- POI's service is also very responsive due to the close, Markham-based, location of their office and distribution centre.
- POI provides a range of 51.5 to 63% discount of Steelcase catalogue prices to the Town.

Staff will undertake over the next year an evaluation of the process, cost and customer service from POI. It is our intention to undertake an RFP for furniture pending the evaluation. If the evaluation can demonstrate value for money then it may not be in the Town's best interest to undertake a formal RFP. The timing for this review and RFP process would align with Mayhew's contract.

Pricing Comparison

Other municipalities such as City of Mississauga have awarded a 5 year contract in 2008 to POI for the distribution of Steelcase products as POI provided the best value. Purchasing staff reviewed the pricing discounts from POI to the City of Mississauga for the same products. In comparison, the Town of Markham pays approximately 4% less for these similar products.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

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

Account Name	Account #
Varley Art Gallery Expansion	075-5350-9098-005
Cornell Station - Furniture, Fixtures & Equipment	056-5350-10124-005
East Markham CC & Library - FF&E Library	070-5350-9533-005
East Markham CC & Library - FF&E Recreation	070-5350-10556-005
Corporate Accommodations 2011	750-101-5399-11332

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

Purchasing Department has been consulted in the preparation of this report.

RECOMMENDED

BY:

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