

To: POLICY AND RESOURCES (FINANCE AND CUSTOMER SERVICES) SUB-COMMITTEE	Subject: SCOTTISH WELFARE FUND – PROCUREMENT OF FURNITURE AND DOMESTIC APPLIANCES
From: HEAD OF EFFICIENT GOVERNMENT AND SERVICE DEVELOPMENT	
Date: 27 January 2014	Ref: IMcK/PT

1. Purpose

- 1.1 The purpose of this report is to seek Committee Approval to endorse the use of the Scotland Excel Framework for the Supply of Domestic Furniture including White Goods and to approve the outcome of a Call-off Contract by “Direct Award”.

2. Background

- 2.1 The Council has a requirement to provide Community Care Grants and Crisis Grants to the residents of North Lanarkshire. The Scottish Welfare Fund provides assistance to North Lanarkshire residents who find themselves in crisis or in a community care situation because they are leading an unsettled way of life.
- 2.2 Scottish Welfare Fund currently provides goods to its customers through the use of a North Lanarkshire Council Furniture Framework Agreement originally set up for Housing & Social Work Services on 01 April 2012 for 3 years until 31 March 2015 with the option to extend for a further 1 year period until 31 March 2016. The maximum value of the Framework is £3.4 million and the contracted provider is The Furnishing Service Limited.
- 2.3 This Framework was not originally negotiated with Scottish Welfare Fund in mind and the choice of goods available is limited and has led to some criticism from both customers and the independent third sector services who represent them. However there was little time to establish arrangements for the Scottish Welfare Fund and it was therefore expedient to use this contract in the interim period until a more suitable national arrangement could be put in place.

3. Proposal

- 3.1 Scotland Excel has now established a collaborative Framework Agreement for the Supply, Delivery and Installation of Domestic Furniture including White Goods which was advertised on Public Contracts Scotland and in the OJEU under notice number OJ 2012/S 190-312175. The Framework is valid from 13 May 2013 to 12 May 2015 with an option to extend for up to 2 years until 12 May 2017. There are 3 providers on the Scotland Excel Framework listed below:
- CF Services Ltd
 - First Furnishing Ltd
 - The Furnishing Service Ltd
- 3.2 The Scotland Excel Framework was developed specifically for Scottish Councils SWF Services and includes faster delivery times and priority ordering facilities to allow goods to be ordered and delivered within 2-5 days. There is also a wider choice of items and the specifications are of a higher quality which will assist in alleviating the concerns over the quality of items awarded by the Scottish Welfare Fund.
- 3.3 It is proposed under the terms stated in the Scotland Excel Framework that North Lanarkshire Council make a “Direct Award” following analysis of Scottish Welfare Fund

spend.

- 3.4 Under the terms laid down within the Framework the Council are permitted to "Direct Award" a Call-off Contract and full analysis of Scottish Welfare Fund spend against the Council's current Framework for Furniture has been used to compare costs against the Scotland Excel Framework. The spend analysis looked at the items ordered by Scottish Welfare Fund over a 9 month period (April 2013 – December 2013) and compared prices across all 3 Suppliers listed on the Scotland Excel Framework, with the Furnishing Service Ltd providing the lowest costs as follows:

Suppliers	Price	Ranking
The Furnishing Service Ltd	£717,354.02	1
First Furnishing Limited	£732,867.23	2
CF Services Limited	£818,916.67	3

- 3.5 Based on the above analysis, it is recommended that a Call-Off contract by "Direct Award" is made to The Furnishing Service Ltd as being the lowest priced Supplier.

4. **Financial Implications**

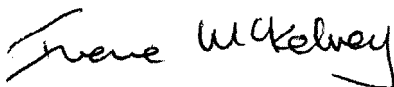
- 4.1 The Scottish Welfare Fund furniture requirements will be funded from their revenue budget of £2.9m.
- 4.2 It is proposed that the Call-off Contract is awarded for a one year period from 01 April 2014 until 31 March 2015 with the option to extend by a further one year period until 31 March 2016, the maximum estimated value of the fund is £5.8m over the 2 year period. The option to extend has been requested to provide the Scottish Welfare Fund some continuity of service for an additional 12 month period if required.

5. **Corporate Considerations**

- 5.1 At this time the Council is progressing with the development of its supported business NL Industries and this organisation is planning to provide similar goods to those offered within this contract.
- 5.2 The Scottish Welfare Fund and Housing & Social Work Services will have the flexibility to transition to NL Industries for the supply of furniture etc as that business portfolio develops, with a balancing reduction in spend against their respective "Call-off " contracts.

6. **Recommendation**

- 6.1 The Committee is asked to endorse the use of the Scotland Excel Framework Agreement for the Supply of Domestic Furniture including White Goods and to approve the award of a Call-off Contract by "Direct Award" to the Furnishing Service Ltd for a period of one year from 01 April 2014 to 31 March 2015 and the option to extend for a further one year period until 31 March 2016.



Head of Efficient Government and Service Development

Members seeking further information on the contents of this report are asked to contact Irene McKelvey, on tel. 01698 302532 or Peter Tolland, Customer Services Manager, on tel. 01698 274385