

Agenda

GOFAC Meeting of September 29, 2009

- Presentation and discussion on the proposed revised procurement strategy for office furniture
- Fine tuning the strategy over the medium term



Respect

Excellence

Integrity

Leadership



DRAFT

Office Furniture Renewed Procurement Strategy

August 26, 2009



Public Works and
Government Services
Canada

Travaux publics et
Services gouvernementaux
Canada

Canada

Context

- The purpose of this meeting is to table discussion points with GOFAC members on a renewed procurement strategy for the acquisition of office furniture.
- The proposed revised procurement strategy involves the award of competitive National Master Standing Offers for requirements below \$25K and Supply Arrangements for requirements above \$25K for four of the five sub-commodities of office furniture (i.e. Office Seating, Desking, Freestanding and Filing Cabinets)
- With respect to the panel systems sub-commodity, given:
 - the level of effort put forward by industry in the current solicitation process
 - the anticipated positive outcome, and
 - the soon to be released new set of NMSO'sit is recommended to re-align the procurement strategy for this sub-commodity with a future generation of contractual documents.
- Standing Offer Agreements offer ease of use for clients and pre-establish terms and conditions as well as prices (discount rates).



Context

Supply Arrangements are methods of supply where the client, under the framework of the Arrangement, may solicit bids from a pool of pre-screened vendors.

A Supply Arrangement is not a contract and neither party is legally bound as a result of the signing of this document alone. The intent of the Supply Arrangement is to establish a framework to permit the expeditious processing of legally binding contract for goods or services.

The proposed procurement strategy will offer ease of use by clients for smaller requirements (below \$25K) and greater competition for larger requirements (greater than \$25K).

Suppliers will have the opportunity to qualify throughout the supply period for Supply Arrangements.

An ongoing qualification process for Supply Arrangements will increase the number of qualified suppliers.



Standing Offers - General

- 2 years firm prices
- Limit the number of series
- Firms are to quote list price, less discount, plus installation for each category
- Requirements less than \$25K
- Evaluation will be based on median +10%
- Evaluated median price will be based on the basket of goods per category



Standing Offers –General (Continued)

- Additional items from the same series meeting the technical requirements will be considered but not included in the median calculation
- Additional items must offer the same discount as the basket of goods to be considered
- CGSB QPL listings on the CGSB website at date and time of closing will be considered
- It is the firm's responsibility to ensure that listing is up to date and meets the RFSO requirements.
- Aboriginal RMSOs/NMSOs items must be on the non-Aboriginal NMSOs.
- All missing substantiating documentation, including technical and environmental details, to be submitted within 5 business days of the request of the Contracting Authority.



Standing Offers Specifics related to each sub-commodity

Cabinets

- Limit the number of series to a maximum of 2 commercially available series per category
- There will be 4 categories (lateral, vertical, storage, personal)

Freestanding

- Limit the number of series to a maximum of 2 commercially available series per category
- There will be 4 categories (executive, full panel, metal leg fixed height, height adjustable)
- A minimum installation fee of \$50 will be accepted.



Standing Offers Specifics related to each sub-commodity (Continued)

Desking

- A minimum installation fee of \$100 will be accepted
- Basket of goods will be layouts
- Limit the number of series to one commercially available series

Panel Systems

- No proposed change to the current strategy at this time. It is planned to align the procurement strategy to the others with a future generation of contractual documents.

Standing Offers Specifics related to each sub-commodity (Continued)

Office Seating:

- Limit the number of series to a maximum of 3 commercially available series per category
- There will be 2 categories (side chairs and rotary chairs) in the basket of goods
- Side chairs shall consist of 3 sub categories (4 legs with and without casters and stacking)
- Rotary chairs shall consist of 4 sub categories (conference, multi-function passive back adjustment, multi-function manual back adjustment, task).

Office seating (continued):

- There will be a fifth category which will not form part of the basket of goods or be included in the calculation of the median price. This category will be green chairs
- A minimum installation fee of \$40 will be accepted
- PWGSC will advise the most commonly procured chairs, which will be utilized in establishing the basket of goods
- 1 soft copy, or link to the Internet Address (URL) of the commercial catalogue for the series offered will be required along with a soft copy of fabric charts
- We will be requesting comments on the environmental criteria established by the sub committee and posted on the PWGSC website



Supply Arrangement (General):

- Open qualification process through a continuous posting on MERX.
- All technically compliant firms are issued a Supply Arrangement.
- Limit the number of series to the same series and additional items offered for the National Master Standing Offers.
- Additional items must offer the same discount as the basket of goods to be considered.
- CGSB QPL listings on the CGSB website at date and time of closing will be considered
- It is the firm's responsibility to ensure that listing is up to date and meets the RFSO requirements.
- Aboriginal Supply Arrangement items must be the same as on the non-Aboriginal Supply Arrangements.

Supply Arrangement Options:

- Option 1 - Utilize e-purchasing updating discounts to published price lists periodically for requirements above \$25,000.
- Option 2 - No prices at all, with bids solicited from all Supply Arrangement holders.
- Option 3 - Ceiling prices with bids solicited from all Supply Arrangement holders in the form of a discount to the price.



Option 1 - Utilize e-purchasing updating discounts to published price lists periodically for requirements above \$25,000

- Both clients and suppliers are familiar with e-purchasing.
- Competition is online. Users need only have two manufacturers products to be considered competitive.
- New firms could be added through an open qualification process.
- Clients would be able to determine winner based on the results list provided by the system (ranking).
- Discounts are located in e-purchasing thus reducing amendments.
- Substantial time savings as clients would not have to prepare solicitations and for suppliers in not preparing and submitting quotes.
- Volume discounts will be utilized with e-purchasing and can be increased or decreased only on a monthly basis. Discounts offered will never be less than the original quote.
- Additional items may be added to e-purchasing provided there is competition, i.e.. Two manufacturers offering the same items.
- E-purchasing will be modified to incorporate environmental attributes, provided there is competition in what is being offered, i.e., Two manufacturers offering the same attributes.



Option 2 - No prices at all, with bids solicited from all Supply Arrangement holders

- Competition is at its strongest, with all firms competing for every requirement.
- There is no limit to the lifespan of the Supply Arrangement unless the requirement changes.
- New firms could be added through an open qualification process at any time.
- No amendments required to change pricing.
- Clients would be able to determine a clear winner through price comparison after receipt of quotes as transportation charges would be included.
- Determining a winning bidder cannot be manipulated by adding or deleting additional items.



Option 3 - Ceiling prices with bids solicited from all Supply Arrangement holders in the form of a discount to the price

- New firms could be added through an open qualification process at any time.
- Clients would be able to determine a clear winner through price comparison after receipt of quotes as transportation charges would be included.
- No amendments required to change pricing.
- Determining a winning bidder cannot be manipulated by adding or deleting additional items.

