



Pilot Case Study





Education & Office Furniture Framework

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Introduction

Scotland Excel manage a £2bn portfolio of over 70 collaborative contracts on behalf of the Scottish Government. Frameworks are two stage procurement approaches that initally select suppliers of commonly procureed goods, services or works who have signed up to pre-agreed terms and conditions. Frameworks ensure that members achieve best value from procurement through their combined spending power.

This Education & Office Furniture 4-year framework, with an approximate value of £32 Million, will provide all 32 Scottish Councils and other participating bodies with a mechanism to procure a range of furniture suitable for classrooms, pre-5 environments, dining rooms, flexible learning and workspaces, office environments, meeting rooms and reception areas.

The framework was retendered in 2020, and commenced 1st September 2021. It comprises 6 lots:

- 1. Education Furniture (12 suppliers)
- 2. Education Dining Furniture (11 suppliers)

- 3. Pre-5 Furniture (13 suppliers)
- 4. Education Full-Kit Out (11 suppliers)
- 5. Office Furniture (14 suppliers)
- 6. Office Full-Kit Out (14 suppliers)

21 suppliers were awarded on the framework across these lots – many suppliers were awarded more than one Lot - of which 76% are SMEs.

ProCirc support was provided by Sustainable Procurement Limited (SPL) on behalf of Zero Waste Scotland, specifically to assist the framework developer to embed relevant circular considerations into the tender.

Sustainable measures include commitment to:

- Use of recycled content within products.
- Processes to support the reuse of packaging.
- Services to extend the useful life of products, such as take-back furniture schemes to repair and remanufacture products.
- Transport strategies to reduce the



environmental impact of transportation.

 Adoption of alternatively fuelled vehicles, namely hybrid or electric, to reduce carbon emissions.

ProCirc support was also provided to assist the supplier selection evaluation panel with how to evaluate a good response to the sustainability question through attending the framework panel and providing follow up advice to the category manager.

Procurement process

Tender Specification

In support of Scotland Excel's drive to enhance the sustainability of its frameworks, which in turn supports the Scottish Government's aims to transition to Net Zero and a Circular Economy, the framework offers opportunities involving the Circular Economy (looks beyond make, take, dispose to recover, restore, regenerate), the training and development of skills and the further development of the supply base through several new small to medium enterprises (SME's).

The specification was developed following engagement with the market through a Prior Information Notice (issued on 31st August 2020) and support on the development of a method statement question, which focused circular criteria relating to:

- emissions from products,
- packaging impacts,
- extending the useful life of materials, components, products and packaging.

Method statement ITT question

'Scotland Excel and framework users are committed to delivering the Scottish Government's 'net zero' emissions target, the transition to a circular economy, the prevention of pollution and the sustainable use of resources, while enabling relevant opportunities for SMEs, third sector and supported businesses to be involved in supply chains.

This statement should detail information relating to:

a) The reduction of emissions from products – The Tenderer should provide details of their use of sustainable materials, how the environmental impact of products is being reduced in their manufacturing, including through innovative approaches (max 1 point). In addition, the Tenderer should provide details of how recycled content is used to the maximum degree that is feasible within products (including details of % recycled content (e.g. wood, plastic and textile fibres) and how they will provide ongoing evidence of this (max 1 point)

- b) Minimising packaging impacts The Tenderer should provide details of how sustainable materials and recycled content are used to the maximum degree that is feasible in plastic and cardboard packaging materials including any innovative approaches/materials (max 1 point)
- c) Services which extend the useful life of materials, components, products, packaging – The Tenderer should outline their current take-back furniture scheme and current or future initiatives for repair. renovation, reupholstery, take-back for reuse and re-manufacturing of products that have become surplus to Council requirements or have reached the end of their useful lives. Initiatives in conjunction with supply chain partners including SMEs, third sector organisations and supported businesses and details of relevant warranties provided may be included. Tenderers should note that only those products that relate to the subject matter of the framework can be taken into account in this evaluation (max 1 point)
- d) Waste Hierarchy The Tenderer should provide details of how they will ensure that any waste arising in framework delivery will be managed in accordance with the waste hierarchy and relevant waste regulations (max 1 point)'

Each method statement response was scored once by each member of the evaluation panel, and the score applied to all lots for which the tenderer was bidding. The assessment was undertaken by a panel of suitably qualified individuals who may be council officers or others acting on behalf of Scotland Excel and where required scores were determined by consensus the score to be applied where required. Scoring was qualitative given the format of the question and response.

SPL assisted Scotland Excel with the objective evaluation of tender submissions, by reviewing submissions from bidders and attending the evaluation panel moderation meeting. A workshop was held to enhance understanding of how to assess responses to circular requirements.

A maximum of 5 points were available for this question, with suppliers scoring from 0.75 - 4.75, with the average score around 2.8. Excellent responses provided good detail on:

 The recyclability of all products, recycled content within products, fabrics and plastics, the application of the EU Ecolabel



and detail on reducing embodied carbon in the furniture manufacturing process and how this information may be reported.

- How packaging is minimised while ensuring safe delivery of products, 100% recycling of remainder and the avoidance of single use plastics.
- Repair, renovation services, including partnering with SMEs and third sector organisations. Resale of furniture with profits going back to Council.
- Compliance with waste regulations and alignment of measures undertaken with waste hierarchy.

Work was undertaken by Scotland Excel, with support from SPL, on relevant KPIs during the mobilisation period, following award on the framework.

Proposed KPIs are based on reuse and recycling:

- Number of items supplied,
- Number of items reused /remanufactured through take back scheme,
- % by weight of recycled content in products provided to the framework,
- % recycled content in packaging.

Results

Initial estimation of environmental outcomes

If the requirements regarding recycled content/ reuse and recycling of furniture are turned into practical implementation during the lifetime of the framework it is estimated that waste and carbon savings may be:

- Between 1,666 and 2,332 tonnes of waste.
- Between 291 Tonnes and 1,086 Tonnes CO₂e.

This is based on:

- £32m expenditure under the framework, with between £20m and £28m spent on furniture (the remainder spent on related services). £20m may equate to 1,666 tonnes of materials of which 20% is assumed to be steel, 10% plastics and the remainder timber.
- c25% of this may comprise recycled content or reused/ recycled.

NB. The above outcomes are very indicative estimates based on the assumptions shown. It is also recognised that these cannot be accurately determined, and outcomes will depend on the extent and nature of services procured under the framework, the development of market capability to support circular outcomes during the lifetime of the framework, assumed costs and weight of equipment and materials as well as reporting of outcomes through contract management in due course.

Following the start of the framework, Councils have been calling off from it. For example, Scottish Borders Council awarded a call-off contract to a Scottish SME for £128,000 from 1st April 2021 to 31st March 2022. However, reporting has lagged behind in terms of actual products and quantities purchased so, as of October 2022, more detail on environmental and carbon benefits are not currently available.

Lessons Learned

Market Challenges

ProCirc, through SPL, was able to share lessons from previous extensive engagement with the furniture market in Scotland and the UK (for example in connection with NHS Scotland's framework which set out a 25% weighting on circular requirements and options). These lessons informed the determination of the ITT specifications and evaluation scores.

The method statement used for this framework therefore focused, for the first time with respect to the Furniture framework, on circular measures which did not discriminate against potential suppliers, raised the bar regarding sustainable outcomes and sent a clear message that circularity is an important focus of this and other frameworks with the expectation that the market can further develop capability during the lifetime of the framework.

The Covid19 pandemic inevitably resulted in furniture suppliers having a big gap in orders. As a result, many were trying to find solutions to fill this gap and reflect the new situation regarding office and home working - adapting to home working, relocation and utilising furniture in schools as well as developing furniture remodelling services. Subsequent lockdowns exacerbated the problems for suppliers, with limited expenditure by clients.

The next generation framework after this one (subject to any extension of the current framework, starting in 2025) will be very different and will need to better reflect the prevailing and anticipated situation. ProCirc support has helped develop both client and supplier knowledge and expectations for more circular furniture solutions. It is therefore anticipated that the next version of the framework will have 2 parallel frameworks: used furniture and new furniture.

Standards/quality levels will also need to evolve during the lifetime of the current framework. For

example, market engagement highlighted that currently there is no set of standards that provides a decent length of guarantee for second-hand office furniture, so a separate Lot for this could not be created at this stage.

Early-stage collaboration is critical

The circular procurement mentoring support highlighted the need to start thinking about the sustainability aspect before the strategy stage.

At the very first encounter with the framework's User Intelligence Group (UIG), options should be outlined when starting to develop the tender to be included in the Lots.

Consider options with the team within the User Intelligence Group at the earliest stage possible. Interaction with the User Intelligence can be complex in the procurement process; there are 32 councils with potentially different approaches (albeit they are all aiming for Net Zero and the transition to a circular economy), which can create potential communication challenges.

This means understanding both sides to the communication message – your own (framework developer) expertise, based on your own interaction with stakeholders, and the internal knowledge of the councils themselves.

Knowledge transfer is very important to build capacity

Transfer of knowledge within Scotland Excel and any framework developer is very important.

Some very useful information for procurement has been gained from advisory support given through ProCirc, that will be circulated through the organisation. This will need to reflect movement (turnover) in staff within teams and externally, as well as lessons from other frameworks. Lessons from the award-winning Domestic Furniture & Furnishings & White Goods framework have been shared internally and provide an example of how to maintain and build capacity going forward.

As well as development of an appropriate outcome-based method statement ProCirc circular procurement mentoring support also provided assistance with how to evaluate a good response, and this gave a much better idea of what to look for in tender responses. It is also anticipated that circular specifications can become 'tighter' to reflect specific mandatory requirements as the maturity of buyers and suppliers improves.

The <u>Circular Office Suppliers Director for Scotland</u> provides some detail on suppliers providing circular furniture services.

A previous circular furniture webinar produced under ProCirc was a good resource to share with framework users and was embedded into the buyers guide. In the mobilisation phase of the contract this information was passed on to framework users through communication channels.



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