

Supplying Furniture and Bedding To the Queensland Government

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in collaboration with

The Furniture Industry Association of Australia (QLD)





What furniture does the Queensland Government buy?

- Office furniture
- School furniture
- Hospital beds and mattresses
- Prison mattresses
- Bunk Beds for schools (tender under review)
- Project Furniture e.g. Mackay Hospital



What do you need to know if you want to supply?

- **Currently opportunities are limited!**
- 90% of furniture is bought off Standing Offer Arrangements
- Suppliers need to know what SOA's are and how to tender successfully for them
- Government has set standards and specifications that suppliers need to meet
- Suppliers must be financially viable and generally be capable of delivering to all nominated regions



What are Standing Offer Arrangements?

WHO:	Can be more than one supplier
WHAT:	Specified
WHEN:	Set period (normally 3 + 1 +1)
PRICE:	Agreed
QUANTITY:	Undefined

- Two types of SOA
 - Lead Agency
 - managed by a single department
 - **Not mandatory** – but can be used by all agencies
 - Whole of Government
 - Managed by QGCPO
 - **Mandatory for all budget sector agencies / departments**

<http://qcd.qgcpo.qld.gov.au/>



Why does the Government use them?

- **Value for money**
 - contribution to the advancement of government priorities
 - whole-of-life and transaction costs
 - fitness for purpose
 - quality
 - service and support
- **Save time and resources**
- **Peace of mind**
- **Products and services meet set specifications and standards**
- **Performance monitoring**



Current status of Furniture/Bedding SOA's?

This information was extracted from <http://qcd.qgcpcpo.qld.gov.au/>

- **QH039** – Hospital Beds (Lead agency = QLD Health)
 - SOA extended for at least 12 months to March 2012
 - Highly specialised need
- **QH041** – Hospital Mattresses (Lead Agency = QLD Health)
 - SOA extended for 12 months to March 2012
 - Highly specialised requirements
- **POL-475** – Watchhouse Mattresses and Covers (Lead Agency = QLD Police)
 - SOA extended for at least 12 months to May 2012



Current status of Furniture/Bedding SOA's?

- **DET100816** – Tender for the Supply and Delivery of Bunk Beds (Lead Agency = DETA)
 - Tender closed 30 March and currently under review
- **QGCPO 800-09** – School and Office Furniture (WOG = QGCPO)
 - Expires from June 2013, option to extend!
 - 3 parts (Ad hoc, Project/Fitout and School furniture)
 - 21 suppliers (16 QLD businesses)

QGCPO 800-09 – Sources of supply current as at 20/05/11

Part A – Ad hoc office furniture	Part B – New office fit out and refurb	Part C – School Furniture
<p>Baseline Commercial Solutions Australia, QLD</p> <p>Bendix Business Furniture, QLD</p> <p>BizFurn Express, QLD</p> <p>Corella Office Furniture, QLD</p> <p>Corporate Express Australia Ltd, QLD</p> <p>Empire Business Furniture, QLD</p> <p>Natural Ideas In Chairs, QLD</p> <p>Queensland Office Industries Pty Ltd, QLD</p> <p>Schiavello Systems, QLD</p> <p>Sebel Furniture, QLD</p>	<p>Baseline Commercial Solutions Australia, QLD</p> <p>Bendix Business Furniture, QLD</p> <p>Corella Office Furniture, QLD</p> <p>Dexion Office, QLD</p> <p>Furniture Concepts, QLD</p> <p>Fuse Furniture, Fort. Valley QLD</p> <p>Incorporate Space, QLD</p> <p>Project Furniture Pty Ltd, QLD</p> <p>Queensland Office Industries Pty Ltd, QLD</p> <p>Schiavello Systems, QLD</p> <p>UCI, QLD</p>	<p>Bendix Business Furniture, QLD</p> <p>BizFurn Express, QLD</p> <p>Sebel Furniture, QLD</p>
<p>Gregory Commercial Furniture Pty Limited, NSW</p> <p>OfficeMax Australia Ltd, VIC</p>	<p>Gregory Commercial Furniture Pty Limited, NSW</p> <p>Schamburg + Alvisse Pty Ltd, NSW</p>	<p>OfficeMax Australia Ltd, VIC</p> <p>Raeco, VIC</p> <p>Woods Educational Furniture, VIC</p>



Step 1

Work Smarter not Harder!



Government Procurement

Finding the money

- www.qgm.qld.gov.au
 - <http://qcd.qgcpo.qld.gov.au/pages/home.aspx>
 - www.tenders.qld.gov.au
- www.lgtenderbox.com.au
- www.brisbane.qld.gov.au
- www.tenders.gov.au/
- www.heirg.com
 - www.heirg.com/projects/index.php
 - www.icnqld.org.au
 - <http://projectgateway.icn.org.au/default.php>



Step 2

**Understand the Procurement Process: -
- how are tenders awarded?**



Government Procurement Basic Principles

AUTHORITY: Who has it?

- Procurement Officers in each Department and Agency have the authority to manage procurement activities
- They are responsible for managing the **PROCESS**



Tender process (Buyers Perspective)

- Prepare draft tender documents
 - Specify requirements, develop evaluation criteria and weightings, conditions of tendering
- Advertise/release final tender documents to suppliers (e-tender site where required)
- Respond to supplier questions/queries
- Tenders received and evaluated
- Tender interviews may be conducted for shortlisted candidates
- Prepare final recommendations to responsible authority level
- Contracts Awarded – debriefs offered



Evaluating (Products and Services)

The procurement officer / buyer responsibilities include:

- Assess needs and risks of procurement (additional research)
- Establish suppliers technical and commercial compliance
- Identify bids not meeting mandatory requirements
- Establish the total or life cycle costs
- Confirm capability / capacity of product and supplier to perform
- Assess technical suitability of each offer
- Assess commercial cost / benefits of each offer
- Compare costs of the offers received
- Determine the best value for money
- Document the process reasons for non-acceptance of lower priced conforming offers
- Assess any risks arising from the evaluation process

Evaluating: Step 1 (example of the process only)

		Evaluation Scoring		
		1	2	3
Mandatory	Product manufactured to specified standards	no	yes	yes
	E0 board	yes	yes	yes
	Compliance with specified insurances	yes	yes	yes
	Evidence that timbers are legally sourced	no	yes	yes
	Track record and Experience	yes	yes	yes
	Quality Management System	yes	yes	yes
Desirable	Product certification	no	yes	yes
	Range of goods offered	limited	extensive	moderate
Due Diligence	Financial viability			
	Interview (if required)			
	Referee Checks (3 off) (if required)			
Price A \$K		200	450	550

Evaluating: Step 2

Please note that the weightings are examples only!



Evaluation Categories	Evaluation Scoring					
	2	Weighting	Weight Score	3	Weighting	Weight Score
Warranty, Service and Support	3	20%	60	4	20%	80
Past Performance	3	10%	30	5	10%	50
Price and Value for Money	5	50%	250	4.2	50%	210
Delivery Timeframe	3	10%	30	4	10%	40
Quality Assurance systems	3	10%	30	5	10%	50
Totals		100%	400		100%	430



Evaluating: What are we looking for?

- Organisational Performance
 - Demonstrated performance on similar projects
 - How you manage your staff
 - References from previous work
- Sustainable Procurement
 - Green star compliance
 - Minimum standard E0 board
 - Sustainable business practices
- Position of price in the market
 - Are you competitive? Do you know what government pays for your products or services?
 - Warranty (e.g. min 7 years for QGCPO 800-09)
 - Include cost of delivery, taxes, duties and charges

Evaluating: Suppliers perspective!

- Capacity / Capability
 - Introduce key team members
 - Skills of your staff
 - List of sub-contractors and suppliers
 - Regional representation
 - Management systems and tools e.g. ISO9001, LEAN
 - Documentation control and procedures e.g. reporting and order tracking
 - Product quality certification e.g. **Furntech AFRDI Blue Tick Product Certification**
 - Method of supply, i.e. manufacture or re-sale
 - Defect rectification process





Tender process - Negotiation

- A formal process that will review and seek clarification on the information provided in the tender document.
 - Organisational performance
 - Local Industry Participation
 - Resource Strategy
 - Methodology
 - Price
- Suppliers need to be aware that they are still being assessed.
 - Familiarise yourself with your tender before the interview
 - Show enthusiasm – be positive
 - BE HONEST – we do our research
 - Don't assume we know who you are



Step 3

Know what the buyer wants!



Queensland Government Procurement Policy

Government Procurement **must**:

- Support Government Ambitions
- Provide Value for Money
- Meet transparency, accountability and probity requirements
- These factors mean that there are differences to the customary buyer/supplier arrangements



Government Ambitions Toward Q2

- **Strong**: Creating a diverse economy powered by bright ideas.
- **Green**: Protecting our lifestyle and environment.
- **Smart**: Delivering world-class education and training.
- **Healthy**: Making Queenslanders Australia's healthiest people.
- **Fair**: Supporting safe and caring communities.



Government Procurement Rules

Value for Money

- Assessment of any proposed procurement **must** take account of:
 - Contribution to the advancement of Government Ambitions
 - Non cost factors such as quality factors, fitness for purpose, quality, service and support and **sustainability considerations**
 - Cost factors including
 - Whole of life costs and transactions costs associated with acquisition, use, holding, maintenance and disposal



Government Procurement Rules

Accountability, Probity and Transparency

Accountability:

Integrity of the process. **Accountability** is the obligation to explain (or account for) the details of each stage of a specific procurement has been undertaken.

Probity:

Integrity of the buyer and the supplier. **Probity** requires the process to be conducted ethically, honestly and with fairness to all participants.

Transparency:

Integrity of the process is demonstrable. Many aspects of the decision-making process and tender responses may be publicly accessible. **Transparency** applies to every stage of the procurement process i.e. Planning, Purchasing & Contract Administration.



Going Green

Sustainable procurement is a key consideration for all government procurement

For example:

- Minimum standard of E0 board
- Legal sourcing of timbers
- Transport and logistics
- Packaging
- Whole of life costs



Step 4

Know how to maximise your chances!



Building Confidence and Trust with the Buyer

- Price position in the market
 - Keep it real
- Management capability
 - Introduce key people
 - Note special abilities / capabilities
- Technological and quality capability
 - Identify advantages
- Financial condition and stability
 - Demonstrate adequacy of cash flow
- Just-in-time capability (if required)
 - How well do you do it?



Building Confidence and Trust with the Buyer

- Additional Services provided, e.g. design, engineering, product innovation
 - Highlight
- Location
 - Does it satisfy the needs of the contract
- Available capacity
 - Ensure its available
- Logistics
 - Materials handling and shipment facilities
- Industrial relations record



Tender Considerations - Products and Services

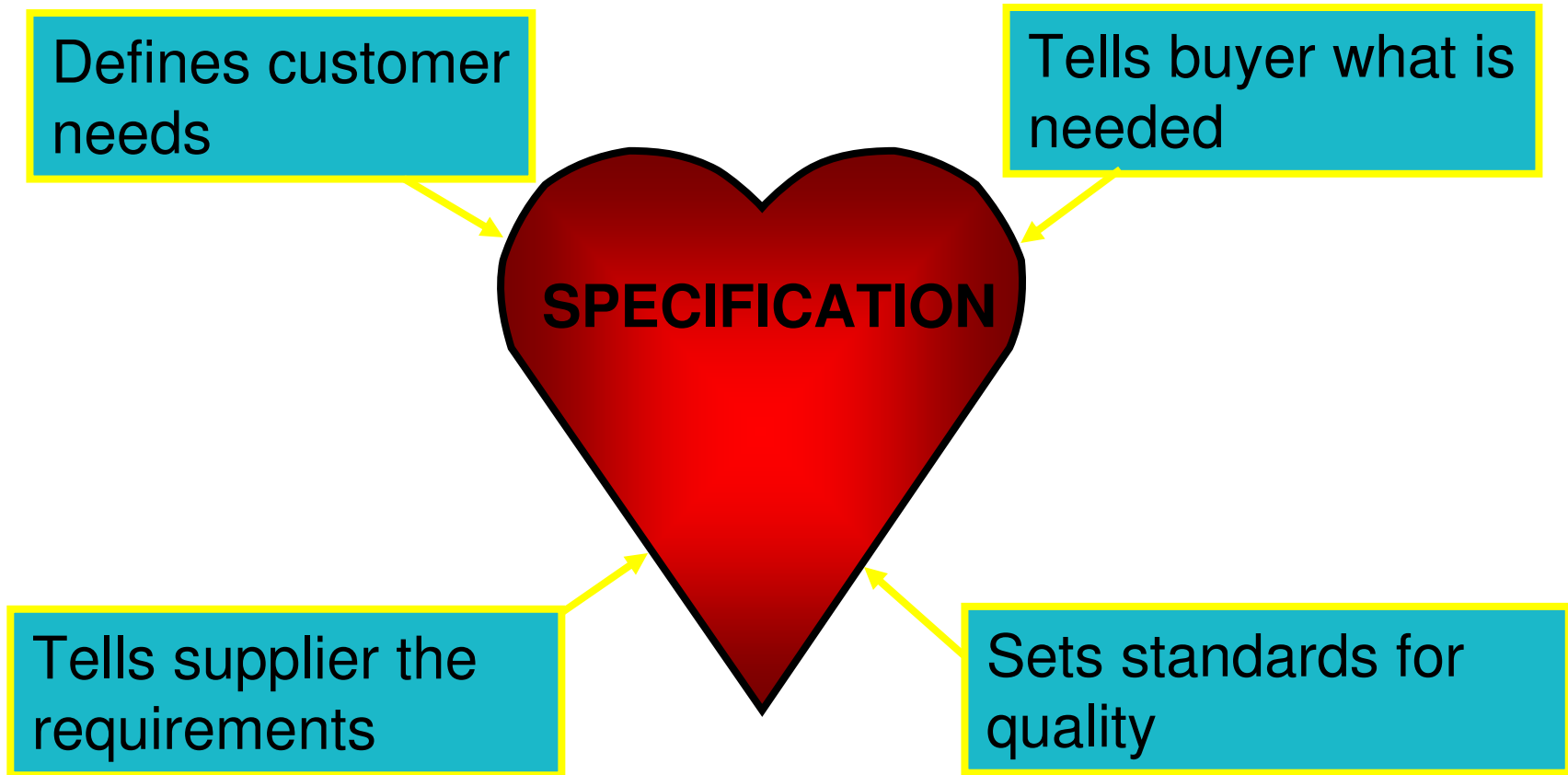
- Look for the **WILL, SHALL, MUST** in tender documents (Mandatory Requirements)
- Remember **DESIRABLE** features may be taken into account when all else is equal
- Ensure you **contact your referees** and let them know about your tender



Guidelines when dealing with Government

- Respect obligations of buyers
- Avoid perceptions of undue influence
- Avoid collusive and unfair practices
- Disclose conflicts of interest
- Provide accurate and reliable information

The Heart of the Transaction





Responding to a Tender

ANSWER ALL THE QUESTIONS

Especially on the Specifications



Responding to a Tender

- Be succinct
- Follow the format
- Respond in conversational language
 - Say what you mean, mean what you say and no jargon!
- Respond for your audience
- Repeat what you have said before if it answers the question

Learning experience:

Local Government tender for marketing and communications
“Oh my aching fingers how many times do I have to repeat myself”



Responding to a Tender

- Be sure to address the terms the tender has specified for the required product or service
- Think about the evaluation criteria
- Emphasise **YOUR STRENGTHS (NOT YOUR COMPETITION NEGATIVES)**
- Bid must be received **NO LATER** than the specified time, that is on time



Responding to a tender

Benefits of dealing with Local Suppliers: Don't assume we know!

- Readily available spare parts, service and support
- Better warranty service
- Shorter supply lines
- Easier contract administration
- Employment
- Economic support for the local community



Responding to a tender

Some final considerations:

- Workplace Performance
- Workplace Health and Safety
- Quality Assurance (where required)
- Delivery
- Sustainability
- Price



Step 5

Develop your supply chain.



What does government want?

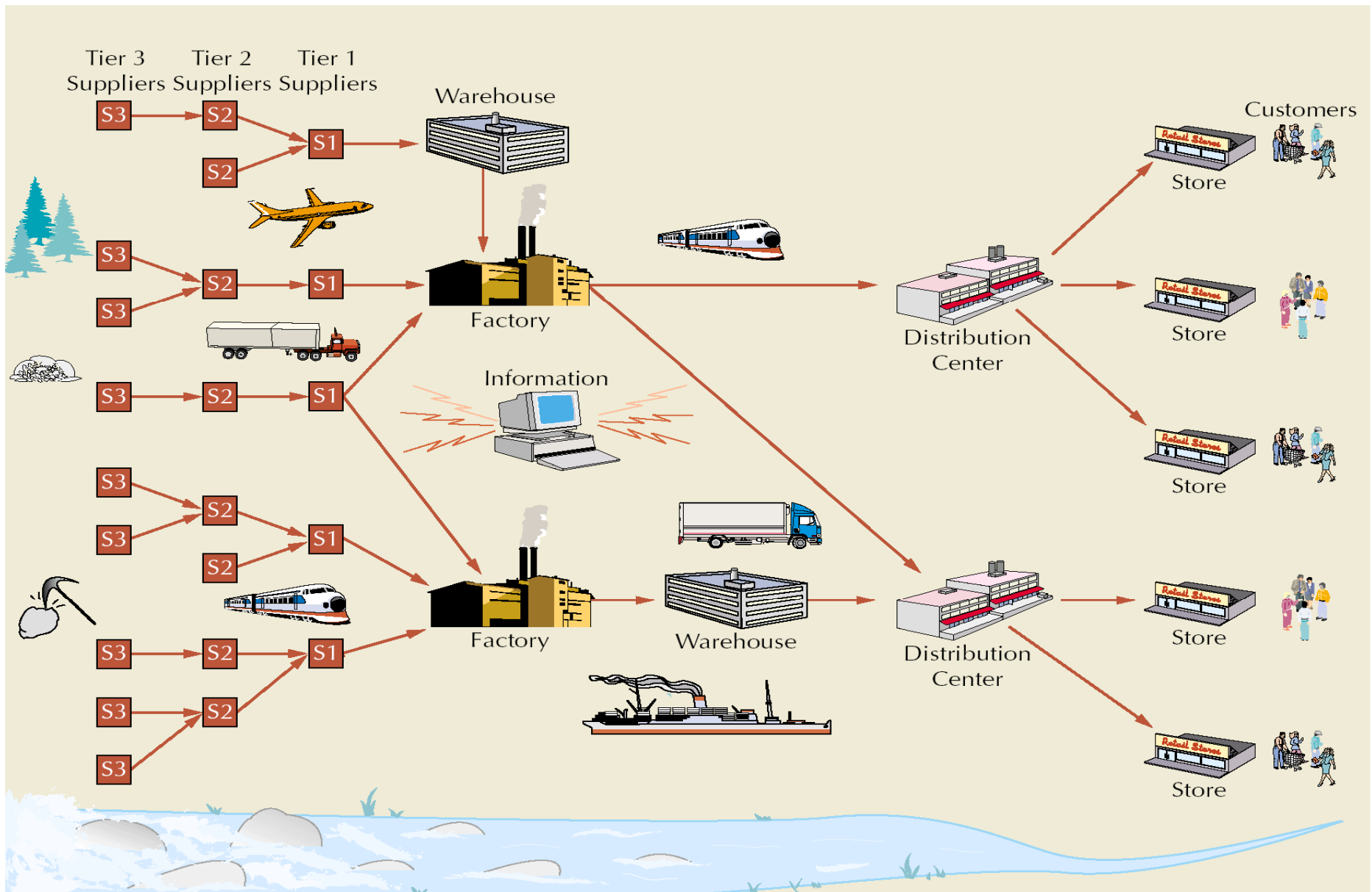
- We want a supplier that can deliver to our needs
- We want it **D**elivered **I**n-**F**ull and **O**n **T**ime!
- We want value for money for the tax payer dollar.




So what is a supply chain?

- A supply chain consists of all parties involved, directly or indirectly, in fulfilling a customer request.
- The supply chain not only includes the manufacturer and suppliers, but also transporters, warehouses, retailers, and customers themselves.
- Within each organization, such as manufacturer, the supply chain includes all functions involved in receiving and filling a customer request, including:
 - new product development,
 - marketing,
 - operations,
 - distribution,
 - finance, and
 - customer service.

Supply Chain – General Example





So what does this all mean for your business as a supplier?

- Companies supplying **directly** to government (Tier 1):
 - Know what government requirements are and determine if your current sub contractors (tier 2, 3 and below) can meet these
 - Continually review your subcontractors and have multiple subcontractors where possible
 - Make sure that they can all deliver in the required timeframe and to the required standard
 - Continually review your standards and if you can deliver better value for money, come and talk to us
 - Know who can help you improve your business!



So what does this all mean for your business as a subcontractor?

- Companies **not** supplying directly to government:
 - Know who has the SOA contracts so you can market your business to them
 - Know what the government requirements are so you can meet them as part of the supply chain
 - Know what is required to supply direct to government before you apply to tender directly – some companies will not meet the standards!
 - Know who can help you improve your business!



Still Think You Need Help

Office of Advanced Manufacturing

Department of Employment, Economic Development and Innovation

www.business.qld.gov.au

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