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Town of Aurora

# General Committee Report

No. CMS23-004

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**Subject:** Office Furniture & Contract Award

**Prepared by:** Doug Bertrand, Manager Facilities

**Department:** Community Services

**Date:** February 21, 2023

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## Recommendation

1. That Report No. CMS23-004 be received; and
2. That Council authorize Non-Standard procurement, under section 2.7 of the procurement policy for Piggyback Purchasing, to award the supply, delivery, and installation of systems furniture to Teknion under the terms of the Vendor of Record (VOR) agreement; and
3. That Council approve the procurement as a standing offer as defined under section 5.2 Standing Offers in the Procurement Policy.

## Executive Summary

This report summarizes the request to authorize the award of Non-Standard Procurement number 2023-28-CMS-F for the Piggyback Purchase under the terms of the Vendor of Record (VOR) arrangement held by the Province of Ontario, Ministry of Government and Consumer Services (MGCS).

- The existing VOR expired in 2021 and a Non-Standard Procurement agreement was in place until it expired December 31, 2022.
- Piggyback Procurements and procurements greater than \$250,000.00 are considered Non-Standard Procurements and require Council approval
- A standing offer will enable the Town to manage this procurement across multiple budgets

## Background

**The existing VOR expired in 2021 and a Non-Standard Procurement agreement was in place until it expired December 31, 2022.**

The Town has participated in this program and had an agreement with Teknion through the Vendor of Record (VOR) since August 2015. The previous VOR expired in 2021. To meet immediate recurring business requirements, a Non-Standard Procurement agreement was established while the Ministry of Government and Consumer Services (MGCS) was issuing and evaluating their open competition and this interim agreement expired December 31, 2022.

The MGCS's Vendor of Record (VOR) for furniture has provided the opportunity for the Town to make use of extensive discounts that have been applied to various projects over the last five (5) years. The new Furniture VOR Tender #13685 agreement was effective as of March 1, 2022 and is set to expire January 31, 2024. The agreement could potentially be extended to January 31, 2026, as MGCS has the sole discretion to exercise two extension options which are available at up-to one-year each. The agreement offers different groups of chairs (general and specialty) and furniture (system and free standing) which will result in similar prior cost savings due to the MGCS's competitive bid process. This is why the Town has piggybacked on this process in the past.

Town has primarily used Teknion as our standard for various reasons including a committed plan to compatibility of their product and compatible pieces across product lines, particularly the Leverage line that the Town utilizes. In addition, Teknion products are known for their quality, durability, environmentally sustainable practices as well as offering an excellent warranty and integration of replacement parts.

## Analysis

**Piggyback Procurements and procurements greater than \$250,000.00 are considered Non-Standard Procurements and shall comply with the reporting and approval requirements.**

The MGCS has several Vendor of Record (VOR) arrangements as a result of their open competition procurement processes that allow other government agencies to take advantage of the discount pricing structures offered to the province.

One of these arrangements is for the acquisition of the supply, delivery, and installation of office furniture, in accordance with the terms and conditions of the MGCS RFB

Tender 13685. Entering into this agreement will allow the Town to purchase systems furniture taking full advantage of the extensive discounts offered through the provincial VOR program. The manufacturer offers a substantial discount between 66% to 77% depending on the product group, off their list price structure, with an additional 1% discount for large orders over \$25,000 which is based on the Vendor of Record (VOR) pricing.

Section 2.7 of the Procurement Policy permits Piggyback Purchasing. This enables the Town to piggyback on an existing procurement by accepting the results of a competitive Procurement process of another government agency or public authority where the provisions of the original Solicitation Document allow for such a piggyback, or when the Supplier is willing to do so. These types of purchases are considered non-standard procurements and require Council approval if the total projected spending will exceed \$250,000. All purchases are subject to sufficient budget availability.

Without the VOR program, this would result in individual tenders for each project and introduction of various manufactures and product lines. Adding different furniture systems would complicate the design of new workspaces, cause inefficiencies with misaligned product, limit the ability to reuse existing furnishings and require management of multiple service providers. Piggybacking on the MGCS's contract from their open competition process will enable the town to continue with its existing systems furniture standard providing consistency throughout all Town facilities, creating equality among workspaces, enabling significant cost savings, and reducing administrative burden for these furniture procurements.

### **A standing offer will enable the Town to manage this procurement across multiple budgets**

Office furnishings will be required to accommodate growth within the Town as there are major projects that will require systems furniture, including the Aurora Town Square project and the Stronach Aurora Recreation Complex Gymnasium Addition. This will also include on-going changes within various facilities and departments throughout the corporation. Depending on needs and new project requirements, the dollar value, size and complexity of each order will vary.

Establishing a Standing Offer, as outlined in section 5.2 of the Procurement Policy, will establish the procurement with the vendor but does not set up the contractual commitment until a purchase order is issued. Per the Procurement Policy this standing offer will fix the pricing (discount off list price) for the duration of the Standing Offer.

Typically, a standing offer can be issued through an open competition managed by the Town. In this case, the contract used for the piggyback was run through an open competition by MGCS resulting in it being a non-standard procurement and requiring Council approval to establish the standing offer. The Town could elect not to enter the VOR program which would result in individual tenders for each project and introduction of various manufactures and product lines, increased cost, and longer procurement process

Funding associated with this agreement has already been approved through the budget process or capital project reports. This includes the Aurora Town Square, Stronach Aurora Recreation Complex Gymnasium Addition, and on-going changes within various facilities and departments throughout the corporation. In using the standing offer, each project will order against the procurement to create the purchase order (the commitment to purchase).

### **Advisory Committee Review**

None

### **Legal Considerations**

Upon authorization of the procurement by Council, Town staff will have authority to negotiate, finalize and enter into an agreement, pursuant to the Town of Aurora Procurement Policy. The agreement will be reviewed by Legal Services.

### **Financial Implications**

The Town's standard office furniture line is Teknion. They are a Canadian made system with many benefits over products made outside of Canada. This includes, local delivery and installation services, no additional costs due to long haul delivery or added costs due to exchange rates or logistical coordination.

Under the terms of the proposed vendor of record agreement with Teknion, the Town may receive substantial price discounts of up to 77 percent of list price. It is very likely that the town would be unable to appreciate savings to this degree through any other procurement arrangement.

The product line with Teknion also provides a streamlined space planning process without time consuming procurement processes for each individual project. Using one

manufacturer and dealer base reduces the time spent space planning, quoting, installing, and reconfiguring parts.

## **Communications Considerations**

The Town will inform residents of the information contained in this report by posting the report to the Town's website.

## **Climate Change Considerations**

The recommendations from this report will decrease greenhouse gas emissions as Teknion is a local supplier vs other that would require delivery from another provinces or countries.

## **Link to Strategic Plan**

**Promoting service accountability, excellence, and innovation.** We will continue to explore opportunities to further strengthen partnerships with neighbouring municipalities and continue to pursue partnerships/initiatives to drive efficiency and potential cost savings.

## **Alternative(s) to the Recommendation**

1. The Town could elect to not enter the VOR program which would result in individual tenders for each project and introduction of various manufactures and product lines, increased cost, and longer procurement process.

## **Conclusions**

It is therefore recommended, based on the above noted information, that a Non-Standard Procurement be authorized through the MGCS VOR agreement for the supply, delivery, and installation of system furniture and within approval budgets.

## **Attachments**

None

## **Previous Reports**

None

## **Pre-submission Review**

Agenda Management Team review on February 2, 2023

## **Approvals**

Approved by Robin McDougall, Director, Community Services

Approved by Doug Nadorozny, Chief Administrative Officer