



The Industry Voice for Workplace Solutions

February 11, 2009

The Honourable Christian Paradis
Minister
Public Works and Government Services Canada
Place du Portage, Phase III, Room 18A1
11 Laurier Street
Gatineau, Quebec
K1A 0S5

Subject: Request for Standing Offer E60PQ-0800001/B

Dear Minister Paradis,

This letter is to advise you of our grave concerns with the above-mentioned contract and to ask you to investigate the standing offer responses to those manufacturers found non-compliant, while maintaining the base of current standing offer awardees.

BIFMA, as the voice for office furniture manufacturers, represents over 80% of the value of shipments in North America. We are concerned with the structure of the new standing offers. From a list of approximately 36, there are now only 5 standing offer contracts to cover freestanding general casegoods, executive casegoods, metal leg and height adjustable furniture.

Due to the complexity of office furniture standing offers, previous applications allowed for an open dialogue between the bidder and PWGSC. These discussions allowed clarification as required during the analysis phase of the process. Without notice, this effective and workable process has been cancelled. Allow us to elaborate:

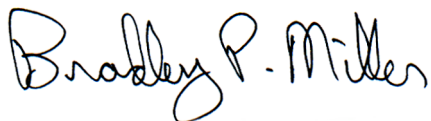
- Some bidders were given the opportunity to qualify or clarify their responses while others were found non-compliant without any information requested by Public Works. This process resulted in a flawed review when suppliers should have had the right to clarify and correct, as in the past.
- Bidders who may have had typographical errors in their editable price list were disqualified. Our industry was required to manually type in thousands of lines of data into an Excel spreadsheet format, required by PWGSC, and there was no allowance given for the statistical probability that errors would occur. This data was required in addition to the inclusion of published price lists and the Basket of Goods spreadsheet, creating a duplication of information.
- Confounding and confusing test report forms were created for this new standing offer, which were to allow suppliers to show that all test reports had been done. These documents were so unworkable and unclear that even our laboratory test partners could not figure them out with absolute certainty. These forms should not be required.

- We are shocked that Public Works would so easily allow manufacturers to spend approximately fifty to one hundred thousand dollars in testing costs, per series, only to cavalierly throw out our bids as non-compliant, without any attempt to work with us. If this was to be the case, bids should have been submitted without test reports and compliant bidders should have been asked to do testing only after being found in compliance. Our office furniture industry is already feeling a deep impact from the recession and we have, collectively, wasted sums in the millions of dollars on useless testing.
- The action of tossing out so many suppliers during such a critical time in the North American furniture industry are troubling; the impact of job losses will be considerable for many of our members. These job losses will also trickle down to hundreds of servicing dealers across Canada as they find themselves shut out of federal government opportunities.
- We question the ability of 5 suppliers to take over production of all orders that were previously shared with many others, particularly at government year-end. We anticipate your clients will be faced with extended lead times or an inability to deliver for March 31. Projects may well be in jeopardy.
- To eliminate most suppliers based on technicalities instead of competitive pricing is contrary to the stated cost savings initiatives behind the “Way Forward” program. You have eliminated some of your largest and most competitive suppliers for a period of 2 years. How is this in keeping with prudent fiscal policy?
- Based on experience from the Filing and Storage NMSO, subsequent RVD’s exclude qualified vendors. For example, one RVD is typically issued for lateral files and storage cabinets (two different categories). Since there are only one or two manufacturers that have both, you exclude those that received an NMSO for a specific Basket of Goods. This problem will be repeated in the freestanding category – for example, in many cases, laminate casegoods, metal leg tables and height adjustable tables are required by your clients, within the same RVD. Within the current selection of suppliers, this would leave the user with only one choice of supplier. This is unfair and unacceptable to your clients.

We urge you to act on this situation. The Furniture Group decisions will cause significant hardship to manufacturers who employ thousands in plants across Canada. Your clients possibly face extended lead times and loss of buying opportunity. We believe an immediate examination of the standing offer process is warranted. We call on your help to restore dialogue.

We request a phone call immediately to establish a meeting date within the next two weeks. Individually, our membership is taking this process to the CITT and will engage a political process nationally. We urge you to take responsibility to reduce costs for the federal government and maintain good business in Canada.

Sincerely,



Bradley P. Miller,
 Director of Communications and Government Affairs
 Business and Institutional Furniture Manufacturers Association (BIFMA) International