



Robert Dunn-Hotel Equipment Services

Fee Proposal

Version 1-1 For

Procurement Services

**Furniture fixtures and equipment (FF&E)
Operating Equipment (OS&E)**

Hotel Project: Tonnara del Secco- HOTEL

24 Nov 2022



Tonnara del Secco SARL,

Louis Marchandise

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24 Nov 2022

Dear Sir

Fee Proposal Procurement FF&E and OS&E.

Thank you for the opportunity to quote for this project. Please see the following fee proposal for the procurement services for this project.

If you have any questions please don't hesitate to contact me.

Best regards Robert Dunn

Director and FFE Consultant



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Services Introduction and General Conditions

- This fee proposal is for the service to procure suitable FF&E and OS&E, and any associated services, but does not include the cost of any FF&E and OS&E and associated project costs such as (but not limited to) installation companies/contractors, freight forwarding contractors, warehousing, import duties, insurance, freight, clearing and local handling fees or travel expenses – all of which are to be paid for by the client.
- All goods and services are to be paid for in full by the client, in accordance with negotiated supplier payment terms.
- All cost comparisons and purchase orders will not be released without the written consent and approval of the client. All goods will be of suitable contract quality standards for commercial use, befitting the budget and service level of the property and with the approval of shop-drawings, finish samples and prototypes by designer, operator and/or development manager.
- All materials will be guaranteed by the suppliers as per their usual warranty terms, which will be communicated to the client for approval. We will accept no liability, and provide no warranty, for any FF&E/OS&E items, during the scope of the project or thereafter do we accept any liability or penalties in the case of non-performance or delays by FF&E/OS&E suppliers; subsequent liquidated damages are solely attributable to the responsible supplier. Contra-charges in such instances will be by Client in close cooperation with the QS and development managers.
- All payments of our invoices will be subject to the terms of this proposal and will not be conditional on delivery of FF&E or OS&E.
- All vendors are bound by our Special Conditions to the Purchase Order (PO). All terms and conditions, PO terms, import terms, payment procedures and forms of payment guarantee will be established with the client at the start of a project.
- This proposal, in its entirety, must be referred to as an integral part of any agreement entered into between our companies.
- More details are provided below of our project work plan.



Fee

The following services will be provided:

- FF&E procurement and FF&E management.
- OS&E procurement and OS&E management.
- Purchase recommendations (PRs)
- Purchase orders (POs by Client)
- Accounts administration. (by both Client and procurement agent)
- Logistics, delivery and installation (By Client)
- Onsite coordination (by Client).

Fee for FF&E procurement: Euro 100 000

Fee for OS&E procurement: Euro 40 000

Total fee (FF&E and OS&E) = Euro 140 000

Payment Schedule

- 14 equal installments of Euro 10 000 per month.
- First payment beginning 14 months before opening

Assumptions

- Fixed fee based on 14 month duration
- Fee subject to final agreement of designs, scope and budget.
- We have assumed **one colour /design scheme** for all the guestrooms. If there are more schemes then we will review this fee proposal.
- If project period is longer than 14 months then an additional (pro-rata) monthly charge will be made.
- Any changes to contract or scope of purchases must be agreed by both parties in writing in advance

The deliverables will include but not be limited to:

- Procurement, tender process.
- Coordination of logistics, deliveries and installation of all FF&E OS&E as agreed with Client. (by Client)
- Competitive tendering to three suppliers / manufacturers.
- Single sourcing for some as agreed with Client.
- Detailed OS&E lists by facility, specifications, quantities and budgets.
- Samples of main customer contact items.
- Model room and table top presentation coordination.
- Budgeting information with regular cost reporting to Client.
- Monthly summary.
- Manual of warranties guarantees, supplier contacts, technical and maintenance details
- Manual of purchase recommendations (PRs) and purchase orders made available by Client (POs).
- Detailed lists of inventory.
- Help with procedures, schedules, definition of scope, timelines.



Not included in fee:

- See later list of items not in FF&E or OS&E scope of purchases.
- PL insurance and reimbursable expenses.
- Long term storage of project documents.
- Purchase orders.
- Installation (normally by contractor).
- Security at warehouse or hotel store. (Normally by hotel operations).
- Stocking of rooms with OS&E (normally by hotel operations).
- Invoice payments to suppliers. The purchase order and contracts are between the Client and supplier.
- Customs clearance fees /customs payments/ local taxes tariffs.

Reimbursable expenses will be charged in addition to the above fees.

Agreed beforehand with Client.

- Factory visits. (Additional chargeable expense).
- Quality control visits to factories (additional chargeable expense).
- Pre shipment quality check at warehouse (additional chargeable expense).
- Printing and stationary costs for any documents exceeding twenty pages.
- Any costs relating to samples including the shipment or postage. (Client pays direct)
- Travel, hiring of car/ vehicles, accommodation and meals relating to visits.

Offer does not include the following:

- Purchase orders as these will be by Client.
- Invoice payments to suppliers and transfer of funds.
- Arranging local warehouse (e.g. if hotel store not used).
- Security at warehouse or hotel store.
- Cost of logistics, freight warehousing.
- Handling and installation at hotel.
- Cost and shipment of samples.
- Logistics by third party provider.
- Warehousing by third party provider.
- Installation by a combination of – suppliers, main contractor and third-party installers.



Our services PROJECT WORK PLAN Overview

(1) Start

- Agree scope of work.
- Agree scope of purchases.
- Review plans, layouts, and area program in terms of FF&E and OS&E needs.

(2) Review the designers FF&E control sheets and operators OS&E standards.

- Prepare time schedule.
- Preliminary ballpark budget.
- Prepare detailed work plan.
- Create lists, schedules
- OS&E matrix – quantities and basic specs as well as **preliminary budget estimates**.

(3) Tender process

- Prepare bid schedule.
- Prepare bid packages.
- Issue tenders and/or obtain quotations.
- Analyse the quotations
- Supplier negotiations.
- Research savings and value analysis if appropriate.
- Propose alternatives.
- Present samples for approval as required by Client.
- Compare with budget and present, to the Client the best offers in terms of quality, price and terms.

(4) Model rooms and table top presentation.

We organise finish and fabric samples and samples of the products which are then presented (by Client) to stakeholders in a **model room review presentation**. A table top OS&E presentation and public space FF&E sample presentation is also organised.

(5) Once the samples and quotes are approved by all stakeholders we provide purchase recommendations for the Client to place orders. Before shipping we check the **quality at the suppliers' factory** and ware house (if required).

(6) **Logistics and shipments of the goods, progress and expedition of delivery in accordance with site requirements.** **Coordination of the receipt** of the goods at the hotel which are then stored in a secure storeroom or installed directly. (By Client)

(7) Coordination of **installation** of the goods. (By Client)

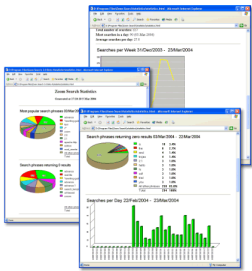
(8) We review the FF&E with the Client, on site, in terms of quality and quantity.



(9) The process ends with the **handover document** for each area. We prepare a final procurement manual including inventory list, purchase recommendations, orders (By Client), warranties/guarantee, fire certificates, maintenance and technical details, suppliers' contact details.

We are also available to assist with order creation, invoice approval and to help with any supplier product issues. Invoice approval and assistance in resolving vendor disputes . (invoice payment not included

REPORTS



- ***Provide appropriate regular reports as agreed with Client***
- All bid analysis and budget control done on excel spreadsheets

As agreed with Client eg:

- Bill of Quantities; Budget per Area,
- Status of Budget vs. Purchase recommendations; Order commitment to date (by Client).
- Status of Purchase Orders. (By Client)
- Shipping status. (By Client)
- A final budget analysis .



SUPPLIERS, STANDARDS, SCHEDULES, PROCESS, PROCEDURES, CONTROL

- **Guidance on suppliers, manufacturers and standards.**
- **Schedules, as required by the project - timelines & activities/tasks**
- **Help with Processes and procedures.**
 - Product order approval; sample approval; drawings approval; OS&E lists.
 - Tender procedure; Purchase order. Prepayment
 - Progressing
 - Shipping; Receiving; Installation; Handover
 - Invoice approval.
 - Revisions to spec, Change request, substitution
- **Control**
 - Budget control
 - Purchase order tracking (by Client)
 - Logistics control (by Client)
 - Quality Control (by Client)
 -



Our Strengths



- International network of reliable suppliers, manufacturers, specialists, logistics experts, kitchen consultants & designers. Tried and tested on my many projects
- Twenty years of multi brand hotel experience in terms of procurement and product standards.
- In depth product knowledge.
- Web-based portal for clients in multiple locations.
- Powerful system to create budgets for luxury hotels.
- In house procurement and control system. (by Client)
- In-house OSE listing system (7000 items) developed through work on over 100 international projects.
- Online Resource Center of eBooks relating to procurement by Robert Dunn
 - E book on procurement for hotels (By Robert Dunn)
 - The 500 procurement tasks for a project
 - Quality and standards

Competitive tendering

The selection of suppliers & products for project is through competitive tendering. This ensures best value for money and that the local project's needs, terms and conditions can be met, in terms of pricing, quality, local standards, delivery, installation dates and service. Prequalified suppliers are tendered to (normally 3 per main bid package agreed with Stakeholders.) All (pre-qualified) suppliers will also need to pass the pre tender qualification process which will include a price estimate and whether they can deliver to the country within the time frame and provide the local certificates.

Benefits to Client

- Products are direct from quality manufacturers.
 - Products delivered on time, within budget, to correct and consistent standard.
- Prices and discounts similar to those available to large hotel corporations.
- Clients leverage spend and also product and supplier knowledge, not typically found in a procurement department
- Reduce costs without compromising quality.
- Cut out the middle man, products direct from manufacturers.
- "Devil in the detail" analysis of quotations to ensure correct quality quantity and price.
- Safe and energy efficient equipment.



Benefits of our manufacturers

- The highest standards of furniture inspection (contract and residential).
- 100% inspection policy extends from raw material to finished product and packaging.
- Inspectors understand manufacturing.
- All goods are shipped without defects.
- Are able to handle the complete process from help with creative development, finish samples, samples for model room, project planning logistics, exportation and in some cases installation.
- Assess and comment technically on the brief which Client provides (styling, drawings, pictures, floor plans, sizes and quantities).
- Value analysis remarks provided where possible.
- Detailed production plan provided and agreed before full production.
- Logistics and installation timetable provided.
- Seamless communication (English, Spanish, Mandarin, Cantonese).
- Production process monitoring.
- Detailed reporting and technical expertise.
- Guarantees of substance. Including up to 5 years for wood furniture and seating.

Direct

- Products are direct from prequalified international, national and local suppliers and manufacturers.
- Proven history of successful projects / references.
- High-quality, cost competitive products and services.

Quality

- Main suppliers conform to ISO standards (9001 & 14001) & use western managed quality control systems.
- Manufacturers offer strict quality control 100% inspection, minimum 5 year guarantees for many products and independently verified by quality control inspectors
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Green in manufacturing process in terms of:

- water usage
 - energy efficiency
 - sustainability of materials and effect on environment.
 - ISO, EMAS, FSC, FISP
- Vendors have a commitment to sustainable products and production.

Product standards



Hotel Equipment Services-Procurement FF&E and OS&E

- Conform, to
Highest international standards with appropriate product testing certificate from independent accredited inspection, verification, testing and certification agencies e.g. SGS, Bureau Veritas, Intertek, TÜV, Germanischer Lloyd (GL) and Cotecna
International five star hotel standards in terms, fire, safety, health & hygiene, electrical, materials, finish, construction, strength & stability, BS EN ISO ANSI or local equivalent.
- Balance of stylish design and functionality.
- Easy to use and maintain, durable and reliable.
- Competitively priced.
- OS&E is often standardised where possible and FF&E customised where appropriate.

Our International Manufacturers' Mission

- Provide products of five star European quality with the price advantage of purchasing direct from China and other low cost countries.
- All products conform to international five star hotel standards.
- Product standards to BS EN ISO ANSI or local equivalent. Certification provided as per Clients requirements from independent accredited inspection, verification, testing and certification agencies e.g. SGS, Bureau Veritas, Intertek, TÜV, Germanischer Lloyd (GL) and Cotecna...
- Products and manufacturing is green in terms of water usage, energy efficiency, and recycling / reusing.
- Attention to detail.
- Deliver great value.
- Continually improve.
- Act with integrity.



Past Projects

Regent Montenegro



Hilton International Projects

- Chennai Hilton (India).
- Malabo Hilton (Equatorial Guinea).
- Paris Roissy CDG. .. La Defence Paris.
- Antwerp Hilton, Copenhagen Hilton
- Wangfujing Beijing Hilton
- Sanya Resort and Spa Hilton
- Langham London Glasgow Hilton Frankfurt Hilton



Le Meridien Projects

- Le Meridien Ibom Golf Resort. (Nigeria)
- Malta Medinah Kuala Lumpur Port Harcourt. (Nigeria)

Others Conrad, Novotel, Scandic, Jin Mao Group-China, Jumeirah, Empee Group India.



Supplier Network

Geography and preferences

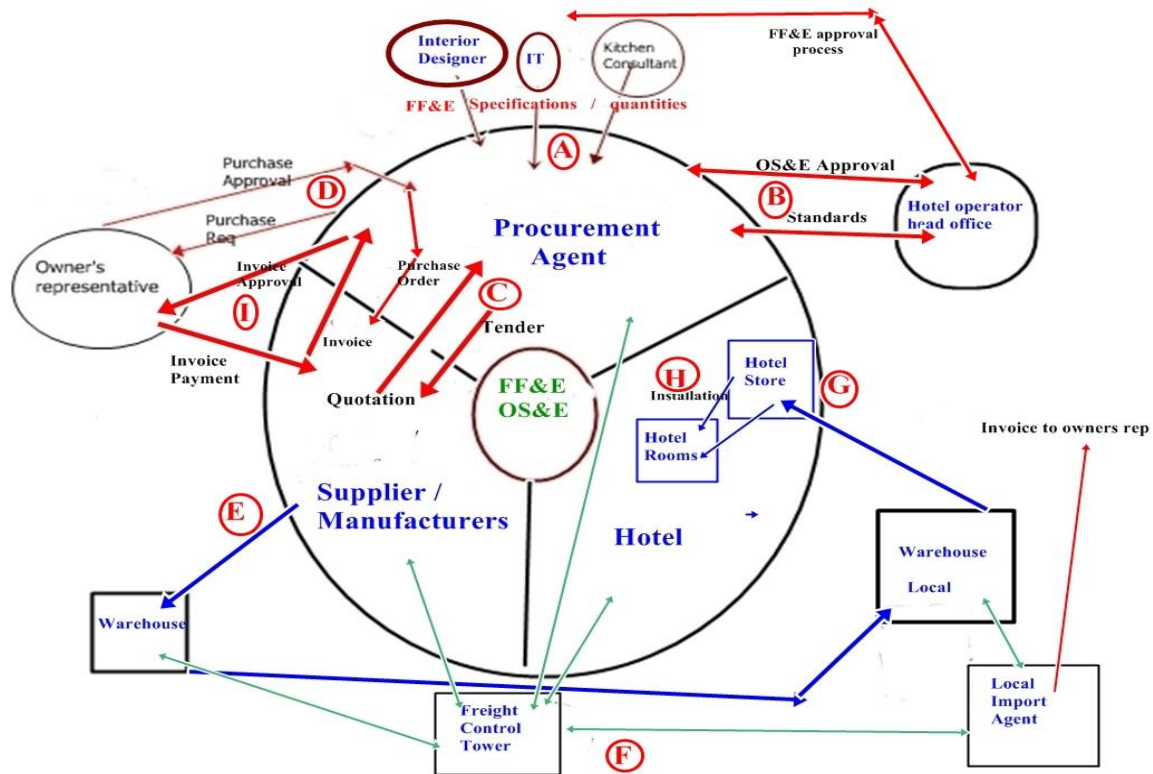


Our database contains ~500 tested and reliable vendors



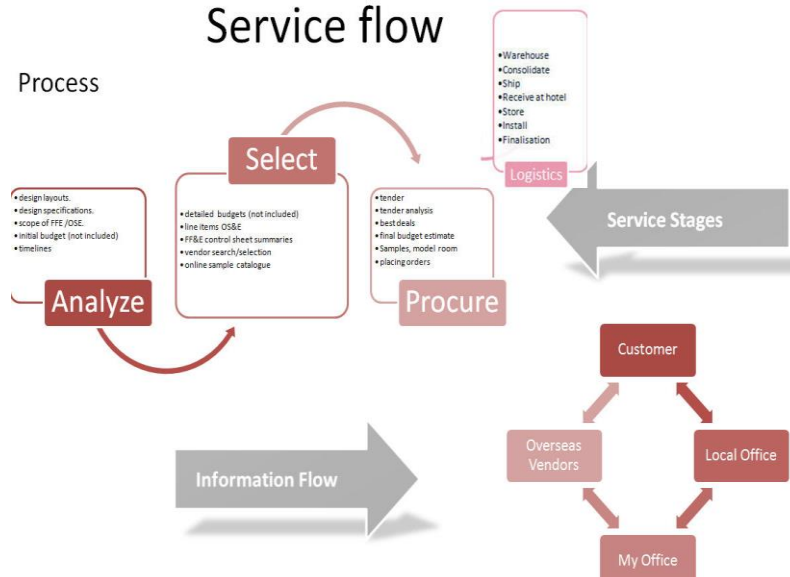
Typical Process Flow

The relationship between us, the procurement agents (A), and the other stakeholders can be seen below.



Service flow

Process





Hotel Equipment Services-Procurement FF&E and OS&E

Timeline - Overview

	Month after design/control sheets agreed																	
EXAMPLE	1	2	3	4	5	6	7	8	9	#	#	#	#	#	15	#	17	18
	a	m	j	j	a	s	o	n	d	j	f	m	a	m	j	j	a	s
A Planning /design																		
Design stage	Design guestrooms						Design public space											
Prepare plan timeline overview(this report)																		
Prepare detailed plan-tasks and resources																		
Stock take and purchasing list-FF&E OS&E																		
Review FFE control sheets with designer																		
B Bud Scope Lists																		
Initial budget based on standard five star model																		
Budget based ID control sheets/ quotes																		
Review Hilton brand standards																		
Create OSE lists and review with owner																		
C Procurement tenders																		
Prepare purchase order priority schedule																		
Prepare procedures ongoing																		
Obtain OSE samples for approval																		
D PRs Pos see below																		
E Control																		
F Logistics see below																		
Prepare order shipment delivery schedule																		
Prepare installation program																		
Agree temporary storage area and area where the FFE can be processed eg carpt cutting																		
C-F Plan Procurement/ship/install																		
FFE-Guestroom Mockup			bid	bid	ship	Fitout												
FFE-Guestroom bid select manufacture			bid	bid	bid	bid	order	man	man	man								
FFE-Guestroom ship								ship	ship	ship	ship							
FFE-Guestroom install												Fitout	Fitout	Fitout	Fitout	Fitout		
FFE-PA bid /order								bid	bid	bid	order							
FFE-PA manufacture												man	man	man				
FFE-PA ship												ship	ship	ship				
FFE-PA install												install	install	install	install	install		
IT				bid	bid	bid	order											
OSE bid/order								bids/or	bids/or	bids/or								
OSE ship												ship	ship	ship	ship	ship		
OSE ship															install	install	install	install
Kitchen Laundry	bid					install												
Inspection at factories								Rooms						public spaces				
G Finalisation																		
Handover																	public	
Inventory and final costing															all	all	all	

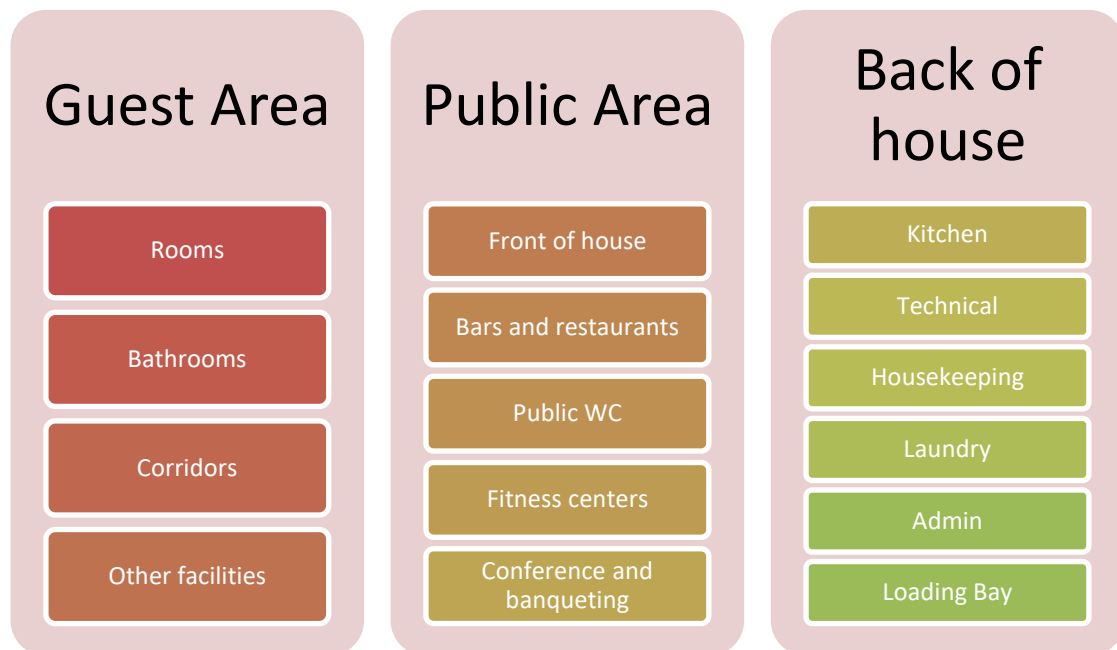


Our Principles Statement

1. We are committed to quality and cost control
2. All supplier rebates and/or discounts are for the benefit of the client.
3. We represent the interests of the Client, at all times, balancing the different needs of all stakeholders.
4. We work on behalf of the Client to ensure value for money through competitive tendering to trusted suppliers.
5. Our goal is to procure high quality, stylish and functional products that meet designers' and operators' standards as well as local code requirements.
6. We engage in sustainable / responsible procurement (green procurement) taking into account environmental, social and ethical considerations when making a purchasing decision.
7. The procurement process minimizes risks and ensures that goods are always to the correct quality standards, delivered on time and to within budget.
8. We work directly with manufacturers when appropriate but am independent from all of them, offering a transparent service thus avoiding the consultant / agent conflict.
9. Selection of the main suppliers is through competitive tendering to two or three suppliers (agreed with the Client) for each main package.
10. Manufacturers or suppliers proposed by the owner or operator will be included in the bid process if requested.
11. We respect the confidentiality of all Client information and the proprietary nature of hotel brand related information.



Scope of FF&E and OS&E (to be confirmed)



FFE

- Furniture
- Casegoods
- Artwork
- Carpet
- Beds
- Fabrics
- Plants
- Internal signage
- Decorative Lighting
- Heavy kitchen and laundry equipment
- Bar and buffet equipment
- Computers



OSE

- Glassware,
- Chinaware
- Silverware
- Kitchen Utensils
- Guest Supplies
- Guestroom equipment
- Bedding & towels.
- F&B Linen
- Cleaning Supplies
- Guest Amenities
- Bathroom accessories
- Back of house.
- Uniforms



NOT in FF&E and OS&E Scope (for discussion purposes)

1	Wardrobe door (often main contract)		Yes
2	Main kitchen and buffet equipment		No
3	Laundry equipment		No
4	IT and systems and control		No
5	Kitchen/laundry consultancy		No
	Vehicles and boats		No
1	Alarm system		No
2	Architectural signs		No
3	Audio Visual Fixed Equipment		No
4	Background Music /PA/Evacuation System		No
5	Ballroom lighting rig		No
6	Ballroom partitions		No
7	Bar counters/reception		No
8	Bathroom Mirror Heater		No
9	Bathroom(taps, mixers)		No
10	Bedroom Security Latch		No
11	Casino equipment		No
12	Consumables		No
13	Discotheque equipment		No
14	Entrance matting		No
15	Energy management		No
16	External Signage		No
17	Final Connections in Kitchen		No
18	Fire Protection in Hoods		No
19	Fitness Centre Jacuzzi		No
20	Fitness Centre Sauna		No
21	Fitness Centre Hamman		No
22	Fitness Centre Turkish Bath		No
23	Floor covering office and back of house areas		No
24	Guestroom locks		No
25	Guest supplies		No
26	Hotel Systems UPS		No
27	Intercom		No
28	Lighting Dimmer Racks		No
29	Low voltage cabling		No
30	Menu development /printing		No
31	Nightclub specialist equipment e.g. disco/lights		No
	Not in FFE OSE Scope		
32	PABX and handsets + billing		No
			No



Hotel Equipment Services-Procurement FF&E and OS&E

33	PABX Cabling		
34	Pay TV Aerial Cabling		No
35	Pre-opening costs		No
36	Power outlets, swiches,trunking		No
37	Print		No
38	Public Telephone		No
39	Shop equipment		No
40	Steam Traps and Valves		No
41	UPS		No
42	Wall cover		No
43	Doors and windows		No
44	Thermal moisture and acoustical protection		No
45	Fire protection, life safety systems		No
46	Vertical transportation, mechanical,HVAC, electrical information		No
47	Mechanical, plumbing, electricity, central plant equipment, air handling		No
48	Air conditioning, piping, duct systems, insulation, vibration control		No
49	Electric motor & motor controllers, automatic temp control		No
50	Sprinklers, power supply and distribution, low voltage systems, UPS		No
51	UPS		No
52	Export packing		Yes
53	Freight		Yes
54	Handling at destination,		Yes
55	blank		No
56	Installation ,		Yes
57	Insurance		Yes
58	Local duties		Yes
59	Procurement fee		Yes
60	Security/ Insurance		No
61	Site delivery		Yes
62	Taxes		Yes
63	Training (for some items)		Yes



end

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