



**METHOD STATEMENT FOR THE PROCUREMENT OF
FURNITURE, FITTINGS & EQUIPMENT (FF&E) AND OPERATING SUPPLY EQUIPMENT (OSE)**

Contents

1	About Fino Hospitality	2
2	Our Services	2
2.1	Procurement Project Management	2
2.2	Custom Joinery	2
2.3	Custom Furniture	2
2.4	Operating Supplies and Equipment (OSE)	2
2.5	Logistics and Warehousing	2
3	Procurement Procedures	3
3.1	Pre-Tender	3
3.2	Tender Phase	3
3.3	Purchase Order	3
3.3.1	Supplier Payments	3
3.4	Delivery	4
3.5	Installation	4
3.6	Reporting	4
3.6.1.	Asset Register	4
4	Consultancy Fee	4
4.1	Procurement Fee	4
4.2	Installation Fee	5
4.3	Travelling Expenses	5
4.4	Exclusions	5

1 ABOUT FINO HOSPITALITY

Fino Hospitality (FH) was created to give owners, designers and developers a single solution for their procurement needs. With our combined construction, procurement and hospitality operations experience we can offer strategic advice and service. We aim to respect the design integrity, quality of products and project budget to deliver a quality product and service to our clients.

Our passion for hospitality operations and design, combined with our keen understanding of quality manufacturing processes guarantees that we offer our clients a smart solution for their projects' needs.

2 OUR SERVICES

FH will source, deliver and install custom FF&E and OSE developed for individual projects or in accordance with international hotel brand standards. All products sourced will be contract quality and the best possible product in line with the project budget.

2.1 PROCUREMENT PROJECT MANAGEMENT

- Budget preparation and Bill of Quantity (BOQ)
- Refurbishment planning
- Designer and consultant adjudication
- Design specifications review
- Tender services
- Procurement schedule and programme preparation
- Cash flow projection
- Logistics planning and coordination
- Installation planning and execution

2.2 CUSTOM JOINERY

- Wardrobes and cabinets
- Fire and non-fire rated doors
- Reception counters
- Specialist finishes and surface cladding
- Upholstered wall panels
- Headboards
- Banquette seating

2.3 CUSTOM FURNITURE

- Custom furniture production and installation

2.4 OPERATING SUPPLIES AND EQUIPMENT (OSE)

- Budget preparation and Bill of Quantity (BOQ)
- Calculation of PAR levels
- Coordination with Operations
- Procurement schedule and program preparation
- Logistics planning and coordination
- Hand over to operations

2.5 LOGISTICS AND WAREHOUSING

- Quality control at origin
- Containerising at point of origin for international shipments
- Coordination with freight agents for export
- International sea and air freight coordination
- Assistance with custom clearance
- Inspection and quality control at destination
- Warehouse management
- Installation

- Commissioning
- Waste removal

3 PROCUREMENT PROCEDURES

3.1 PRE-TENDER

- Review designer or operator specifications and issue Request for Information if needed
- Check layout drawings and/or BOQ's
- Identify suitable suppliers and complete tender Terms & Conditions
- Compile Tender Packs
- Prepare provisional program and set critical path
- Agree and set client reporting and commercial requirements
- Agree client baseline budget

3.2 TENDER PHASE

- Arrange Tender Packs per package and for alternative suppliers and specified supplier
- Issue tender documents by email to all tenderers
- Receive queries and compile tender responses to all tenderers at regular intervals. Where required a Tender Clarification log is kept for future reference.
- After tender closes compile detailed cost comparison document for review by the client and their team
- Proceed with value engineering and negotiations with shortlisted companies to ensure rates are kept within project budget
- Submit tender recommendation and budget comparison, including committed to date values

3.3 PURCHASE ORDER

- FH prepares "AS AGENT ONLY" purchase orders for all recommendations agreed and signed off by the client.
- Purchase Orders are issued to the client for their sign-off and confirmation before documents are issued to suppliers.
- Signed purchase orders are issued to the suppliers who are required to counter sign acknowledgement and agreement to the terms and conditions.
- Suppliers to issue invoices and shop drawing program. If no drawings are required a delivery program must be provided.
- Check and validate invoices from suppliers and process them for payment.

3.3.1 Supplier Payments

Payments to suppliers can be done in 1 of 2 ways, as indicated below:

1. FH can invoice the Client in line with the cash flow and the Client makes a lump-sum payment to FH, who in turn will distribute payments to the various suppliers. FH will add a small margin to the payment applications to cover miscellaneous expenses such as bank charges. This cost will be shown in the cash-flow projection to ensure full transparency.
 2. FH will receive the invoices from the suppliers and after checking them for accuracy submit a payment application to the Client. The Client will then be responsible to make the individual payments to each supplier.
- Manage the shop drawing and material samples submittal process for FF&E items until approvals are received from the interior designer.
 - Once approvals for shop drawings and material samples are received issue a final production program.
 - Manage the production ensuring production is kept within the agreed program.
 - Manage the quality control and quantity control of all items ensuring clients expectations are met.

- Manage the packaging and packing of items suitable for the different modes of transport to minimise the risk of damage during transport.

3.4 DELIVERY

- Manage the loading process to ensure containers are utilised properly and efficiently.
- Manage the necessary paperwork to avoid potential delays and penalties when it comes time for customs clearance.
- Coordinate shipment schedule and estimated arrival at port with clearing agent, ensuring all the necessary documents are received by them in time.
- Manage the local transport and delivery to the project site or designated warehousing facility.
- Check contents and report any damages or shortages to the client immediately.
- Arrange for repairs and/or replacement if required.

3.5 INSTALLATION

- Manage and coordinate the installation with the installation contractor.
- Ensure goods are installed or placed in the correct location in line with the designers FF&E schedule
- Hand over all OSE items to the operator in the designated areas.
- Inspect the goods after installation and arrange for any necessary touch-ups if required.
- Prepare and update a detailed installation schedule and tracker to monitor progress and highlight any delays for corrective action to be taken.

3.6 REPORTING

- Issue weekly FF&E and OSE tracking schedules
- Issue weekly Shop Drawing schedules
- Issue weekly Material Approval schedules
- Issue bi-weekly budget reports
- Issue monthly project update report
- Issue Asset Register at the end of the project

3.6.1. Asset Register

- Manage a detailed Asset Register which will be issued at the end of the project. This document contains the following information:
 1. Product description with relevant Control Number
 2. PO number
 3. Delivered quantity
 4. Unit and Total Rate (in project currency)
 5. Location placed or required area

4 CONSULTANCY FEE

4.1 PROCUREMENT FEE

FH charges a set fee calculated against the budget for which FH will be responsible for (FF&E/OSE Budget). This fee is negotiated and agreed prior to any works mobilisation and the payment structure is as follows:

- (a) 10% of Procurement Fee on appointment.
- (b) 80% in equal monthly payments.
- (c) 10% at time of final handover and Asset Register

Any delays in the program will result in the monthly fee being extended accordingly. Duration and value of the Extension of Time (EOT) to be agreed by the Client and FH.

Additional scope will require the fee value to be adjusted accordingly and payment to be made in accordance with the above terms.

FH require payment by way of EFT into its nominated bank account nominated. Fee invoices shall be submitted by the 25th day (or next working day) of each month and must be paid in line with the agreed payment terms. Payments will be free from all fees, transfer charges or deductions. FH reserve the right to suspend works due to non-payment.

4.2 INSTALLATION FEE

The installation package will be tendered to qualified and approved sub-contractors, same as the FF&E and OSE packages. Payment terms will be negotiated and agreed with the successful tenderer.

If required, FH can provide a site manager to oversee the installation process. The associated costs for accommodation, travelling, meals, etc. will be for the Clients account. Final fee structure to be negotiated and agreed prior to mobilisation.

4.3 TRAVELLING EXPENSES

All travelling required to attend operator, design or other project meetings will be paid by the Client. These charges include flights, local transport, meals, accommodation and visas. International flights longer than 6 hours will be on business class and hotel accommodation will be in a minimum 4-star hotel and on a bed and breakfast basis.

4.4 EXCLUSIONS

- (a) VAT and withholding taxes are specifically excluded and shall be for the client's account.
- (b) Site offices and equipment. The client shall provide a suitable air-conditioned site office for the duration that a site manager is based on site. The site manager will have unlimited internet and telephone access as well printer facilities as required.