

Decision Pathway – Report Template



PURPOSE: Key decision

MEETING: Cabinet

DATE: 02 July 2019

TITLE	Procurement of managed service provider for contingent workers and search services for permanent recruitment from April 2020		
Ward(s)	<i>Not applicable</i>		
Author: Mark Williams	Job title: Head of Human Resources		
Cabinet lead: Craig Cheney	Executive Director lead: Mike Jackson		
Proposal origin: <i>BCC Staff</i>			
Decision maker: Cabinet Member Decision forum: <i>Cabinet</i>			
Purpose of Report:			
<ol style="list-style-type: none"> 1. To seek approval to commission a Managed Service Provider using the Eastern Shires Procurement Organisation MStar 3 framework. 2. To request delegated authority is granted to the Director of Workforce and Change to award a contract to a Managed Service Provider for Contingent Workers and search services for permanent recruitment from April 2020 in consultation with the Deputy Mayor – Finance, Governance and Performance and the Director of Finance (Section 151 Officer) 			
Evidence Base:			
<ol style="list-style-type: none"> 1. Since April 2016, the Council has engaged Guidant Global (Carlisle Staffing PLC) to supply temporary contingent workers. Guidant directly supply workers in roles up to Bristol Grade 9 and when required they also have a supply chain that can also fill roles. For all roles at Bristol Grade 10 and above, Guidant acts as a managed service supplier and hires agency workers via their supply chain. 2. Over the past three years, the contract has delivered significant cost efficiencies for BCC. This has been achieved through having strong collaborative and partnership working with the current supplier having an active onsite presence enabling close working relationships with hiring managers and supporting the strategic aims of the HR service. 3. The current contract expires on 3rd April 2020 and the Council has an obligation to secure Best Value and test the market and make further efficiency savings and improvements. 4. It is proposed the service will be tendered via the Eastern Shires Procurement Organisation (ESPO). This is compliant with EU procurement law. A new updated framework (Mstar3) has been in place since 11 April 2019. BCC used Mstar2 to procure our current contract with Guidant. The Mstar3 framework offers an efficient, coherent and competitive route to procuring a managed service provider. All of the suppliers on the MStar3 framework have been selected for their ability to provide customers with a comprehensive range of services that combine quality and value. Tenders will be sought on both 30 days 14 day payment terms to assess whether any additional benefits can be derived from early payment which might also encourage inclusion of more local SME's. This will enable BCC to make a commercially informed decision. The key 			

features of the specification will remain unchanged. For example, the requirement to have a site based service offer. However, the new tender specification will also include provision to supply specialist skills expertise through statements of works for projects and also the facility to supply candidates for permanent roles in hard to recruit areas. This will lead to more efficiencies and reduce recruitment costs. Currently, specialist search and recruitment support for permanent staff is commissioned on an ad hoc basis which is not cost effective or efficient.

5. The West of England Combined Authority will be part of the contract.
6. The specification will also include the facility for our neighbouring Local Authorities to join the contract i.e. Bath and North East Somerset Council, North Somerset Council and South Gloucestershire Council.

Recommendations:

1. That Cabinet approves the commissioning of a Managed Service Provider for contingent workers and search services for permanent recruitment from April 2020 using the Eastern Shires Procurement Organisation MStar 3 framework.
2. That Cabinet delegates authority to the Director of Workforce and Change to award a contract to a managed service provider to supply contingent workers and search services for permanent recruitment for 4 years with effect from 4th April 2020 (with the option to extend the contract for up to 2 years) in consultation with the Deputy Mayor – Finance, Governance and Performance and the Director of Finance (Section 151 Officer).

Corporate Strategy alignment:

1. Our contingent workforce are essential part of our organisation and to the effective running of the organisation. The proposals align with our objective to make sure we have an inclusive, high-performing and healthy and motivated workforce.

City Benefits:

1. All bidders must be able to demonstrate how they will deliver social value and meet the requirements of the Council's social value policy. Tenders will be evaluated on the basis of 40% quality, 20% social value and 40% on price.
2. The specification includes a requirement that all agency staff must be paid in accordance with Bristol City Council pay grades to ensure equal treatment.
3. The specification includes a requirement that there must be compliance with the Council's Equalities and Diversity Policies including recruitment and selection. This would apply to the successful managed service provider as well as their suppliers.
4. The length of the contract and extension provisions should lead to an overall efficiency savings to the Council.

Consultation Details:

1. There have been wide-ranging discussions with the West of England Heads of HR Group. The arrangements set out in this proposal have been agreed with them. The option of entering in to a collaborative procurement exercise with **all** authorities has been considered. This was not considered viable at the moment but it has been agreed that they will be provided the benefit of accessing services provided under the contract if they wish. However, it has been agreed WECA will form part of the BCC contract. WECA only employ a very small number of agency and interim staff and they will not participate in the procurement process. BCC will charge a management fee for the provision of this service.

Background Documents:

Link to Mstar3 Framework Information page:

https://www.espo.org/Frameworks/People-Professional-Services/653F_19-MSTAR3-Managed-Services-for-Temp-Agency

Link to Office of the Journal of the European Union notice:

https://ted.europa.eu/TED/notice/udl?uri=TED:NOTICE:510439-2018:TEXT:EN:HTML&WT.mc_id=RSS-Feed&WT.rss_f=Printing+and+Publishing&WT.rss_a=510439-2018&WT.rss_ev=a

Revenue Cost	Approx £12M per annum	Source of Revenue Funding	<i>Service Budgets</i>
Capital Cost	£N/A	Source of Capital Funding	<i>N/A</i>
One off cost <input type="checkbox"/>	Ongoing cost <input checked="" type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice:

Finance Business Partner:

It is proposed to utilise the appropriate ESPO Framework for the re-procurement of managed service provider for contingent workers and search services for permanent recruitment, as the existing contract is due to expire in April 2020. This will be a competitive process involving those will be listed on the framework, and following review, is deemed by officers the most cost-effective route to the provision of appropriately skilled temporary resources. Tender arrangements will be designed to maximise social value outcomes.

Last year the Council spent some £12m on agency staff through the existing managed services contract. Ongoing review should therefore be undertaken to ensure best value is being achieved from recruitment processes.

Chris Holme – Head of Corporate Finance 04/06/19.

2. Legal Advice:

The proposed procurement through the ESPO Framework is legally compliant and the Framework Agreement and the Customer terms are quite comprehensive and adequately protect interests of the user authorities. They also provide flexibility to adjust the terms in accordance with the specific needs of the Council. The neighbouring authorities will be able to use this contract for meeting their temporary labour needs but it will be discretionary for them and there will not be any compulsion or commitment for them to use this contract. (The framework will not be available to the Council's Teckal companies and other options will have to be considered by them). TUPE Regulations will apply in case of change of provider however; no serious or significant issues are foreseen at this stage. Equalities

The Public Sector Equality duty requires the decision maker to consider the need to promote equality for persons with "protected characteristics" and to have due regard to the need to i) eliminate discrimination, harassment, and victimisation; ii) advance equality of opportunity; and iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it.

The Equalities Impact Check/Assessment is designed to assess whether there are any barriers in place that may prevent people with a protected characteristic using a service or benefiting from a policy. The decision maker must take into consideration the information in the check/assessment before taking the decision.

A decision can be made where there is a negative impact if it is clear that it is necessary, it is not possible to reduce or remove the negative impact by looking at alternatives and the means by which the aim of the decision is being implemented is both necessary and appropriate."

Legal Team Leader: Eric Andrews, Team Leader, 31.5.19

3. Implications on IT: There are a couple of likely IT implications arising from this proposal. 1) There will likely be

activity should there be a change of supplier, such as system integrations or equipment provision. Although these are not likely to be significant, they will need to be considered during any transition arrangements. 2) IT Services, as other business functions, has specific technical skills requirements and these will need to be available in any new agency supply contract

IT Team Leader: Ian Gale, Head of IT – 5th April 2019

4. HR Advice: No HR implications for BCC of re-tendering.

HR Partner: James Brereton (People & Culture Manager), 5th April 2019.

EDM Sign-off	Mike Jackson	10 April 2019
Cabinet Member sign-off	Craig Cheney	29 April 2019
For Key Decisions - Mayor's Office sign-off	Mayor's Office	3 June 2019

Appendix A – Scope of the Tender	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO