

Report to Interim Director Human Resources and Organisational Development

November 2020

Award of Contract: Agency Workers Recruitment Services

Report by the Head of Organisational Development, Resourcing & Talent and the Procurement Category Lead for Resources

Electoral divisions: N/A

Summary

This report seeks authority to award a contract to Matrix SCM Ltd for the provision of Temporary Agency Worker Recruitment Services to the Council following a procurement process.

Recommendation

- (1) That the Interim Director Human Resources and Organisational Development approves the award of a contract for Temporary Agency Worker Recruitment Services to Matrix SCM Ltd for an initial term of 3 years with service delivery commencing 1 April 2021, with the option to extend for a further period or periods of up to 1 year, a maximum contract period of up to 4 years, with a total potential maximum contract value of £72m.
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Proposal

1 Background and context

- 1.1 Temporary agency workers are an important part of the Council's workforce. The use of temporary staff enables the Council to operate without interruption to service levels, ensuring resilience and service continuity.
- 1.2 Through discussion with key stakeholders across the Council, a set of principles has been developed for assessing the future service model:
 - Ability to source high quality resource across a wide range of council services –to ensure high quality provision across all Council services
 - Provides flexibility/experience to fill project/specialist/senior roles –to build on the benefits derived from an integrated approach to resourcing executive and project roles and be able to respond to changing needs

- Supports greater transparency – a robust contract management model based on accurate and timely data that ensures accountability of supply chain and benchmarks against the wider market
- Provides Value for Money and supports control over spend – to ensure controls are in place to manage spend and decision making
- Customer-focused – dedicated support to hiring managers, adequate quality assurance processes (e.g. CV quality check) and issue resolution
- Supports local employment and growth – actively supports local employment and enables the Council to identify target groups to promote opportunity for local communities
- Partnership approach to managing market and demand – to support active market management and act as a market disruptor where necessary
- Continuously innovating/developing – best use of emerging technologies and industry best practice.

1.3 The Cabinet Member for Economy and Corporate Resources approved the formal commencement of this procurement process on 19 February 2020 (ECR03 (19/20)). At that time the decision to award the contract was delegated to the Director Finance and Support Services. The Interim Director Human Resources and Organisational Development now in post will take this decision.

1.4 The Council undertook an open procurement process for a Vendor Neutral Managed Service for a term of a maximum period of four years (an initial period of three years with the option to extend up to one further year).

1.5 The procurement exercise was conducted using the OJEU Open Procedure. A Contract Notice was published in the Official Journal of the European Union (OJEU) on 10 August 2020 (Ref: 2020/S 153-375988). The process was led by Procurement Services in consultation with the Head of Resourcing Organisational Development & Talent and the Agency Workers Contract Manager.

1.6 Seventy service providers expressed an interest in the opportunity via the WSCC e-sourcing portal. Nine service providers submitted a tender response by the deadline of 15 September 2020.

1.7 Procurement Services checked the tender responses for compliance on 16 September 2020. Following a period of due diligence on the bids received, all required schedules were submitted, and the tenders were correct.

1.8 Tenders were then evaluated by the Tender Evaluation Panel (TEP) using the following criteria:

Criteria	Weight
Method Statement Questions	40%
Pricing Schedule	60%

1.9 The TEP consisted of:

- Head of Resourcing Organisational Development & Talent

- Agency Workers Contract Manager
- Resourcing Manager
- Contingent Workforce Consultant
- Interim Supply Chain Resourcing Adviser
- Operations Manager Provider Services
- Service Manager Independent Living
- Business Support Manager

2 Proposal details

- 2.1 It is proposed that the Interim Director Human Resources and Organisational Development approves the award of the contract to the successful bidder, Matrix SCM Ltd, as determined by the evaluation criteria as being the most economically advantageous tender.
- 2.2 It is proposed that Matrix SCM Ltd is awarded a contract for an initial term of three years, with the contract commencing on 1 December 2020 (to include a mobilisation period) and service commencement date on 1 April 2021, with the option to extend for a further one-year period, up to a maximum contract period of four years at potential maximum value of £72m.
- 2.3 A standstill period will be observed with formal award to be made after a period of 10 days.

3 Other options considered (and reasons for not proposing)

- 3.1 Alternative procurement options were considered in Key Decision Report [ECR03 \(19/20\)](#).

4 Consultation, engagement and advice

- 4.1 WSCC Procurement Board approved the proposed sourcing strategy. WSCC Procurement, Finance and Legal Services teams have also been consulted in the drafting of this report.
- 4.2 The Cabinet Member for Economy and Corporate Resources has been consulted.

5 Finance

The cost of the Temporary Agency Recruitment Service will continue to be met by existing service budgets. The annual cost of the new contract, based on historic activity levels, will be between £13 - £18m per annum (estimated maximum cost of £54m over the initial three-year contract term). Based on the historic usage and the newly tendered rates it is anticipated that there will be a reduction of £0.5m per annum in the cost of the agency staff employed.

- 5.1 The effect of the proposal:

(a) How the cost represents good value

The evaluation process was designed to produce an outcome representing best value for money. The tender evaluation process involved three stages:

- Standard Selection Questionnaire: evaluating the eligibility of the bidders
- Method Statement Questions: evaluating the quality of the proposal

- Commercial Evaluation: evaluating the cost of the proposal

(b) **Future savings/efficiencies being delivered**

The tendered pricing schedule for this proposal will be applicable for the full four-year term of the contract. Future savings and efficiencies will be targeted as part of on-going contract management throughout the term of the contract. A new feature of this contract is the inclusion of "Talent Pool" functionality and technology which will allow WSCC to drive greater access to directly sourced candidates at reduced cost in comparison to agency workers.

(c) **Human Resources, IT and Assets Impact**

The Vendor Management System provided by Matrix SCM Ltd will have the ability to provide real time integration with West Sussex County Council's HR and finance systems providing an up to date picture of the entire workforce.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Risk of disruption due to change in service provider	Thorough mobilisation plan agreed and in place with regular meetings during the mobilisation period. Mobilisation is a contractual requirement.
Potential disruption due to TUPE issues	Ability to nominate sub-contractors, including the incumbent and if not possible for the successful provider to sub-contract the contract contains suitable TUPE provisions.
The risk of the service providers failing to deliver the service during the life of the contract.	Robust contract reporting and management provisions with good relationships built between the service provider and the Council.
Increase in revenue expenditure as a result of increased activity	Robust contract and demand management should enable any financial risks to be mitigated and it is anticipated that spend on agency staff will decrease throughout the contract period. Robust charging provisions have been included in the contract, including inclusive rates and payment for statutory contributions to be based on actual costs incurred with monthly reconciliation. The contract contains suitable provisions in respect of continuous service improvement and benchmarking to ensure best value continues to be achieved during the contract period.
Children's Trust	Provisions regarding the option of ongoing service delivery to the Trust have been included within the Contract.

7 Policy alignment and compliance

- 7.1 Alignment to the West Sussex Plan was considered with Key Decision Report [ECR03 \(19/20\)](#).

- 7.2 Regarding legal compliance, the procurement exercise was conducted in accordance with the Public Contracts Regulations 2015 and WSCC Standing Orders on Procurement and Contracts.
- 7.3 Regarding compliance with WSCC Standing Orders: The contractor has been required to provide proof of financial standing and appropriate levels of insurance.

Lindsey Hannant

Head of Organisational Development, Resourcing & Talent

Neil Robb

Procurement Category Lead for Resources

Contact Officer: Lindsey Hannant, Head of Organisational Development, Resourcing & Talent, 0330 2222435, lindsey.hannant@westsussex.gov.uk

Appendices

None

Background papers

None