

## **Cabinet – 24 October 2018**

### **Award of New Contract for Provision of a Managed Service for Temporary Agency Workers**

**Portfolio:** Councillor Anthony Harris (Personnel and Business Support)

**Related Portfolios:** All

**Service:** Human Resources

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Summary**

- 1.1 Approval is sought within this cabinet report for the award of a contract for the provision of a Managed Service for Temporary Agency Workers to Starting Point Recruitment Limited for the period 1 April 2019 until 31 March 2022 with the option to extend for 12 month following the conclusion of an open procurement process.
- 1.2 This cabinet report should be read and considered in conjunction with the “Award of new contract for provision of a Managed Service for Temporary Agency Workers” Private Session Agenda Cabinet Report.
- 1.3 This is a key decision because it exceeds the threshold for significant expenditure.

#### **2. Recommendations**

- 2.1 Following consideration of this cabinet report and the “Award of new contract for provision of a Managed Service for Temporary Agency Workers’ Private Session Agenda Cabinet Report, that Cabinet approves the award of the new contract (valued overall to be in the region of £48 million) to Starting Point Recruitment Limited for the provision of a Managed Service for Temporary Agency Workers for the period 1 April 2019 until 31 March 2022 with the option to extend for 12 month at the sole discretion of Walsall Metropolitan Borough Council.
- 2.2 That Cabinet delegate authority to the Executive Director of Resources and Transformation, in consultation with the Portfolio Holder for Personnel and Business Support, to enter into a new contract to deliver a Managed Service for Temporary Agency Workers Service’ by using the most appropriate procedures and to subsequently authorise the sealing or signing of any contract, deeds or other related documents for such services.

- 2.3 That Cabinet should note the commencement of a further procurement process to commission such temporary agency worker services for Social Work across both Children's and Adults services in order to obtain required assurances on the future quantity and quality of such provision.

### **3. Report detail**

- 3.1 The current contract with Starting Point Recruitment Limited for the provision of a managed service for temporary agency workers expires on 5 October 2018. A contract waiver is being finalised to extend the existing provision up to 31 March 2019.
- 3.2 Following direction and approval from both Corporate Management Team ('CMT') and Cabinet a public advertisement was placed on Walsall Metropolitan Borough Council's ('the Council') e-tendering portal 'Intend', on 3 May 2018 and an Open Procedure Procurement Process was used to invite tenders for the provision of a Managed Service for Temporary Agency Workers.
- 3.3 The commissioning process and service specification has been informed by local workforce needs assessment, benchmarking with other neighbouring authorities procurement exercises and a comprehensive consultation process involving stakeholders i.e. recruiting managers and central support functions including from procurement, governance, ICT and HR.

### **4. Council Corporate Plan priorities**

- 4.1 The award of this contract supports the Council priorities related to:
1. Economic growth in supporting job creation and accessibility throughout Walsall;
  2. Internal focus by modernising services with increased digitalisation;
  3. Communities through improving health and wellbeing through job creation and skill development.

### **5. Risk management**

- 5.1 Failure to have in place such a managed service provision is viewed to have a negative impact on the ability of the Council to effectively undertake its duties.
- 5.2 The decision to commence a further procurement process to commission temporary agency worker services for Social Work across both Children's and Adults services is to ensure that appropriate assurances on the future quantity and quality of such provision are identified and delivered.
- 5.3 The quantity and quality of all such provision during the period between the new contract with the proposed successful bidder commencing (1<sup>st</sup> April 2019) and the subsequent awarding of any new contract to commission temporary agency workers services for Social Work will be monitored closely as per 5.4 and 5.5 below.

- 5.4 Levels of activity and expenditure will be monitored throughout the lifetime of this the new contract by monitoring demand statistics in order to identify areas of concern and develop strategies in order to control/reduce longer term.
- 5.5 Maintenance of service quality will be monitored and assured throughout the lifetime of the new contract by reporting of achievement of key performance indicators at regular contract meetings with the appointed service provider.
- 5.6 During mobilisation of the new contract with the successful bidder the introduction of an online booking system will require robust contract monitoring and management to ensure that it is effective in the requesting, selecting, paying and monitoring of bookings.
- 5.7 It is evident that a number of potential operational management issues in relation to the introduction of an Online booking system and stakeholder and supplier relationship management will require robust contract monitoring and management.

## **6. Financial implications**

- 6.1 The value of the contract is estimated to be in the region of £48 million based on the current annual expenditure of approximately £12 million per year and the tenure of the contract being for the period 1 April 2019 until 31 March 2022 with the option to extend for 12 month at the sole discretion of the Council.
- 6.2 Such expenditure will be funded through directorates existing budgets as they are typically used to cover vacancies and long term sickness and leave.
- 6.3 It is expected that such expenditure will be reduced during the lifetime of the contract, wherever possible, through effective recruitment and retention strategies being put in place for permanent appointments alongside proactive management of health and well being initiatives for Council staff.

## **7. Legal implications**

- 7.1 In reference to the social work element detailed in paragraph 5.3 of this cabinet report, clause 2.3 of the contract which was included in the Invitation to tender documentation provides that 'the Provider acknowledges that there is no obligation upon the Council to purchase any Services from the Provider during the Term'.
- 7.2 Legal Services will work with the relevant Council Officers to ensure that an appropriate written contract, in a form approved by the Head of Legal and Democratic Services and shall be made and executed in accordance with the Council's Contract Rules.

## 8. Procurement implications/Social Value

### 8.1. Advertisement and Tenders Received

8.1.1 A public advertisement was placed on the Council's e-tendering portal 'Intend', on 3 May 2018. An Open Procedure Procurement Process was used to invite tenders for the provision of Managed Service for Temporary Agency Workers.

8.1.2 49 suppliers initially expressed an interest through the e-tendering portal.

8.1.3 Four tenders were received from the bidders provided below:

	<b>Tenderer</b>	<b>Location</b>	<b>Status</b>
1	Guidant Group	Luton	Limited Company
2	Matrix SCM Ltd	Milton Keynes	Limited Company
3	Eden Brown Ltd	London	Limited Company
4	Starting Point Recruitment Limited	Walsall	Limited Company

### 8.2. Evaluation

Submissions were evaluated in accordance with the criteria published in the Invitation to Tender ('ITT') as shown below in **Table A** using the Scoring Principle shown in **Table B**

#### 8.2.1 Table A

##### 8.2.1.1 Weighted Price Criteria:

Submissions were evaluated in accordance with the criteria published in the ITT as shown below:

<b>Criteria</b>	<b>Percentage</b>
Price	42%
<b>Total</b>	<b>42%</b>

The bidders' prices were calculated based upon the lowest price submitted based on the lowest bid price received divided by the bid price under evaluation and multiplied by the weighting.

##### 8.2.1.2 Weighted Quality Criteria:

The evaluation of this section was against information included in the Tender Quality Questionnaire.

<b>Criteria</b>	<b>Percentage</b>
Meet the Specification	Pass Fail
Appendix C Information Governance Assessment	Pass Fail
Appendix D ICT Technical Assessment	Pass Fail
Managed Service Solution Overview	15%
Social Value	10%
Candidate Suitability	8%
Social Workers	5%
Supporting local people into work (Social Value)	5%
Minimising Costs	5%
Management Information	4%
Contract Implementation	3%
Continuous improvement	3%
<b>Total</b>	<b>58%</b>

## 8.2.2 Table B Scoring Principles

Score	Classification	Scoring Definition
4	Excellent	<ul style="list-style-type: none"> <li>• Response meets the specification requirements</li> <li>• Significant level of evidence that specification objectives and requirements have been met</li> <li>• Significant Added Value and Innovation evident</li> </ul>
3	Good	<ul style="list-style-type: none"> <li>• Response meets the specification requirements</li> <li>• Good level of evidence that specification objectives and requirements have been met</li> <li>• Limited Added Value and/or some innovation evident</li> </ul>
2	Satisfactory	<ul style="list-style-type: none"> <li>• Response meets the specification requirements</li> <li>• Adequate, basic level of evidence that specification objectives and requirements have been met</li> <li>• No Added Value evident</li> </ul>
1	Poor	<ul style="list-style-type: none"> <li>• Response does not meet some of the specification requirements</li> <li>• Limited level of evidence that specification objectives and requirements have been met</li> <li>• No Added Value evident</li> </ul>
0	Fail	<ul style="list-style-type: none"> <li>• Response does not meet any of the relevant specification requirements</li> <li>• No evidence that specification objectives and requirements have been met</li> <li>• No added Value evident</li> </ul>

**8.2.2.1** Supplier Technical Assessment Questionnaires were included with the tender documents to enable the Council's Information, Communication and Technologies (ICT) Service Delivery to provide assurance that the Council's minimum technical requirements would be met by the successful supplier.

**8.2.2.2** A Privacy Impact Assessment for the service requirement was approved by the Council's Information Security Officer. Tender price evaluation, due diligence checks and evaluation summary were completed by the Procurement Officer.

**8.2.2.3** Tender quality evaluations were independently completed on 12 July 2018 by members of the evaluation team overseen by the Council's Procurement Team and a moderation meeting was held on 19 July 2018.

**8.2.2.4** All four bidders were then invited on 29 August 2018 to clarify on the following areas of their submitted bids:

- a. Candidate Suitability
- b. Social Work Provision
- c. Managed Service Solution overview
- d. Social Value

### 8.3 Social Value

'Social Value' and 'Supporting local people into work' were specific scored questions (10% and 5% of the marks respectively) within the Tender Quality Questionnaire. From the tender process, Procurement has identified the outcomes/achievements as set out below:

Achievement	Comments
Social Value	<p>The successful bid demonstrated a significant understanding of Social Value, which contained specific, measurable achievable social value offers.</p> <p>The proposed successful bidder has demonstrated how they will incorporate social value aspects in to the services to be provided under the contract (through the design and delivery of the proposed services)</p> <p>The successful bidder has committed to work with the local community to encourage recruitment from within the Walsall area.</p> <p>The successful bidder's social value commitments will be implementable via Key Performance Indicators within the contract.</p>
Localism	Subject to approval, the contract will be awarded to an organisation from within the Borough of Walsall

## 9. Property implications

The Council has not provided any of the bidders with a right to occupy its property to deliver the new contract. The current provider does occupy Council premises; the Challenge Building at Hatherton Street via a relationship with Steps to Work. The arrangements between the Council and Steps to Work will remain in place after the award of the new contract, as these are the subject of separate legal arrangements. However, the Council is in discussions with Steps to Work regarding the future of their

tenancy as the Challenge Building and wider Challenge Block site is subject to future redevelopment proposals. These proposals are at an early stage and will require the relocation of Steps to Work, and if this contract is awarded, will also require the new provider to relocate. Hence, the Council is working with the occupiers to consider all alternative options to subject the ongoing delivery of the businesses.

## **10. Health and wellbeing implications**

- 10.1 During the mobilisation period of the new contract the social value commitments made by the proposed successful bidder, as outlined in the section 8.3 of this report, will be tested against the Marmot objectives to ensure that they support the Council in its statutory duty to promote health and wellbeing.
- 10.2 Evidence of this will include job creation and skill development in the community along with enabling the Council to cover its vacancies and long term absences through agency staff provision and therefore assist in reducing workload and associated stress of the remaining permanent staff.

## **11. Staffing implications**

- 11.1 Where it is evidenced to be in the Council's best interest's attempts will be made to recruit the most able temporary agency workers into permanent contracts with the Council and in doing so reduce the number of vacancies and their direct costs to the Council

## **12. Reducing inequalities**

- 12.1 An initial Equality Impact Assessment (EqIA) (attached) was completed in relation to the awarding of the contract.
- 12.2 Through the mobilisation period of the new contract, a framework of social value outcomes will be developed with the proposed successful bidder aimed at providing training and opportunities for the residents and businesses of Walsall. It will also seek to support under-represented groups across the Council into jobs with training for example of young people, locally unemployed people, those with a disability or long term health condition and our care leavers.
- 12.3 This in part will be delivered through its charity partner 'Steps to Work' to which 95% of its profits are ploughed back into.
- 12.4 Data from such a social value plan will be included as part of the key performance indicator requirements of the contract and monitored to ensure that they deliver.
- 12.5 A further EqIA will need to be completed during the period of mobilisation of the new contract and then monitored in terms of its delivery against its Social Value commitments as well as the Council's commitments in relation to the Public Sector Equality Duty including the Council's Equality Objectives.

### 13. Consultation

Consultation was undertaken in preparation for the tender with a working group which had representatives from a number of service areas that were 'high' users of temporary agency staff.

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