

Gloucester City Council

Meeting:	Cabinet	Date:	9 March 2016
Subject:	To procure and award a contract for the supply of temporary staff		
Report Of:	Cabinet Member for Performance and Resources		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
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Appendices:	None		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To seek Cabinet authority to conduct a joint EU compliant tender process with Gloucestershire County Council for the award of a new 4 year contract (3 year initial term with an option to extend for a year) for the supply of temporary staff commencing 1st August 2016.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:

- (1) a competition be run jointly with Gloucestershire County Council in accordance with the provisions of the ESPO 653F MSTAR Framework for the award of single supplier 4 year contract (for an initial term of 3 years with an option to extend for a further year) for the provision of temporary staff services commencing on 1st August 2016.
- (2) upon conclusion of the mini competition process, to enter into a contract with the preferred provider evaluated as offering the Council best value for money for delivery of the services.
- (3) in the event that the preferred provider is either unable or unwilling to enter into that contract with the Council, the Head of Finance, in consultation with Cabinet Member for Performance and Resources, be authorised to enter into such contract with the next willing highest placed suitably qualified provider.

3.0 Background and Key Issues

- 3.1 The Council currently has no single arrangement in place for the supply of agency workers. Whilst expenditure is smaller than the County Council, it is still a cost that could be reduced if taken into account in procuring a new contract.

- 3.2 For the 2014/15 financial year, the value of the spend was circa £900k, although this cost has reduced significantly in 2015/16.
- 3.3. The County Council currently has a contract with Comensura for the supply of temporary staff which was awarded as a result of competitive process under the previous MSTAR framework. The supply has been under a 'neutral vend' model and will come to an end on 30th April 2016.
- 3.5 Jointly procuring a new contract will offer an opportunity to both Councils to secure greater value for money with the supply of agency workers. The charge rate for agency workers consists of three main parts: The amount paid to the worker, including Tax, NI and Pension costs; the amount charged by the agency, and the amount paid to the facilitating. The amount paid to the facilitating company represents a very small percentage of the overall value of the contract, and it is unlikely that this can be reduced significantly further. The rate paid directly to the worker is dictated to by the market, and reducing this will have a significant impact on the quality of candidate available. Providers on the MSTAR2 framework quote agency charges at differing rates, and this offers an area where savings may be made against the current rates charged by agencies.

4.0 Asset Based Community Development (ABCD) Considerations

- 4.1 There are no specific ABCD implications as a result of this report.

5.0 Alternative Options Considered

- 5.1 The option to procure through framework without engaging the County Council was explored; however there was no perceived benefit of this option.
- 5.2 The Do Nothing option is not deemed to be appropriate as the Council strive to deliver value for money and efficiencies.

6.0 Reasons for Recommendations

- 6.1 Engaging workers through a framework offers both good value for money for the Council, and allows a streamlined process for managers when resourcing on a short term basis. The supply of workers through an organisation on the MSTAR2 Framework will ensure this, whilst delivering greater value for money for the Council.

7.0 Future Work and Conclusions

- 7.1 The Council will work alongside the County Council in the tendering process to ensure project is delivered in a timely manner.

8.0 Financial Implications

- 8.1 This procurement is expected to deliver savings on temporary staffing costs whilst also ensuring that service areas are continue to be appropriately resourced to minimise disruption to users across wide range of Council services.

8.2 Engaging workers using a framework offers both good value for money to the Council, and allows a streamlined process for managers when resourcing on a short term basis.

(Financial Services have been consulted in the preparation this report.)

9.0 Legal Implications

9.1 The value of the contract spend means that this is a procurement that falls within the EU mandated procurement regime. However, use of a properly constituted framework agreement (as detailed in para 2.1; 1) permits the Council to purchase goods and services without undertaking a full scale procurement exercise under the regime.

(One Legal have been consulted in the preparation this report.)

10.0 Risk & Opportunity Management Implications

10.1 There are no specific risks or opportunities as a result of this report.

11.0 People Impact Assessment (PIA):

11.1 A PIA screening assessment has been undertaken and the impact is neutral. A full PIA is not required.

12.0 Other Corporate Implications

Community Safety

12.1 None

Sustainability

12.2 None

Staffing & Trade Union

12.3 None

Background document: None