

**Committee: Cabinet**

**Date of meeting: 30 January 2020**

**Title of Report: Award of Contract - Provision of Temporary Agency Workers and 1:1 Tuition via a Virtual School**

**Report by: Dawn Roberts, Executive Director – Corporate, Customer and Community Services**

**Cabinet Member: Peter Thornton, Deputy Leader and Cabinet Member for Finance**

### **What is the Report About? (Executive Summary)**

1. This report requests permission from Cabinet to award the contract for the provision of Temporary Agency Workers and 1:1 Tuition via a Virtual School, beginning 1 March 2020, for a period of 2 years, with two possible extensions of up to 1 year each (to 29 February 2024).

### **Recommendation of the Executive Director**

2. To award the contract for the provision of Temporary Agency Workers and 1:1 Tuition via a Virtual School to the following provider: Randstad Solutions Limited.

### **Background to the Proposals**

3. The current supply of Temporary Agency Workers has been in existence since 28 January 2016 through the national framework, Flexible HR Solutions - HR Services and Solutions (YPO). Randstad Solutions Limited are currently our Managed Service Provider and manage first and second tier suppliers to ensure the provision of agency workers meet the needs of the Council.
4. The new contract will commence on 1 March 2020 and end on 28 February 2022. There are two possible extensions of up to 1 year each (to 29 February 2024).
5. Following consultation with People Management regarding the Council's longer term aspirations, the proposal is to award a contract for an initial 2 years (with the option to extend by one plus one years), thereby allowing for flexibility and time for future organisational reform and development.
6. The total estimated annual value of the contract is £4m, and the total estimated contract value (including for extensions) is £16m.
7. Following the 'permission to procure' decision granted by Executive Director – Corporate, Customer and Community Services on 22 November 2019, a mini competition was carried out using the ESPO Managed Services for Temporary Agency Resources framework.

8. The mini competition ran between 25 November and 6 December 2019, in line with the Council's Contract Procurement Rules. The only bid received was submitted by:

- Randstad Solutions Limited

9. The bid was evaluated on 9 December 2019, against award criteria comprising of 60% Price and 40% Quality. The quality criteria focused on service delivery and supply chain, and importantly, how they would manage turnaround times and vacancy fill rates, which is a key objective of the contract. Consequently, this was given a high proportion of the available marks because of how fundamental it is in relation to the delivery of the service.

The detailed tender criteria/scoring are as follows:

	<b>Details / Score</b>	<b>Weighting</b>	<b>Max Points Available</b>	<b>Total Score Available</b>
1	<b>QUALITY – 40%</b>			<b><u>1600</u></b>
	1. Methodology	<b>45</b>	<b>10</b>	<b>450</b>
	2. Supply Chain	<b>30</b>	<b>10</b>	<b>300</b>
	3. Complaints	<b>5</b>	<b>10</b>	<b>50</b>
	4. Auditing Processes	<b>5</b>	<b>10</b>	<b>50</b>
	5. Electronic Systems	<b>40</b>	<b>10</b>	<b>400</b>
	6. Performance Management	<b>25</b>	<b>10</b>	<b>250</b>
	7. Mobilisation	<b>5</b>	<b>10</b>	<b>50</b>
	8. Social Value	<b>5</b>	<b>10</b>	<b>50</b>
2	<b>PRICE – 60%</b> Bid prices will be scored on the information submitted in the pricing schedule and based on the Value for Money Indicators as follows;			<b><u>2400</u></b>
	1. Schedule 3 - Pricing Schedule <ul style="list-style-type: none"> <li>▪ Social Worker Roles</li> <li>▪ All Other Roles</li> </ul>			<b>1080</b> <b>1080</b>
	2. Premier Supply Service	<b>24</b>	<b>10</b>	<b>240</b>

10. As part of the pricing exercise, the bidders were asked to complete a 'shopping basket' of roles, based on what the Council has recruited to over the past 12 months. Bidders had to include the fee rate, as well as associated costs i.e. agency fee, NI contributions. This was then marked in two parts: Social Worker Roles and All Other Roles.

11. The scores were evaluated by three people; two from CPCMC and one from Organisational Change –People Management, and were moderated and averaged, before the various weightings were applied.

12. The total marks awarded by the evaluation panel were as follows:

<b>Assessment</b>		<b>Max</b>	<b>Randstad BID</b>
<b>Quality Assessment scores</b>			
1	Methodology	450.00	<b>330.00</b>
2	Supply Chain	300.00	<b>220.00</b>
3	Complaints	50.00	<b>36.67</b>
4	Auditing Process	50.00	<b>33.33</b>
5	Electronic Systems	400.00	<b>293.33</b>
6	Performance Management	250.00	<b>200.00</b>
7	Mobilisation	50.00	<b>40.00</b>
8	Social Value	50.00	<b>43.33</b>
<b>Quality Assessment score</b>		1,600.00	<b>1,196.67</b>
<b>Price Assessment scores</b>			
1	Pricing Schedule	2,160.00	<b>2,160.00</b>
2	PSS	240.00	<b>20.00</b>
<b>Price Assessment score</b>		2,400.00	<b>2,180.00</b>
<b>TOTAL SCORE</b>		4,000.00	<b>3,376.67</b>

13. As a result only receiving one bid, we have also sought to demonstrate value for money by comparing, on a like for like basis, the existing service provision.
14. In real cost terms, there is a reduction of average hourly rate for Social Work roles, from £32.95 to £31.24. This equates to an annual saving of approximately £84,139 (based on current spend patterns).
15. Furthermore, there is a reduction of average hourly rate for Other Roles, from £41.87 to £39.71. This equates to an annual saving of approximately £106,094 (based on current spend patterns).
16. In conclusion, the bid price demonstrates value for money.

### **Options Considered and Risks Identified**

#### **a. Option (a)**

17. To procure through a mini competition, via National Framework Agreement, ESPO Framework Agreement 653F-19 MSTAR, will give the option of a managed service provider (or a neutral vendor provider). Using a national framework agreement reduces this time and cost because the initial assessment tender exercise has already been carried out.

#### **b. Option (b)**

18. To carry out our own tender exercise. This would mean carrying out a full tender exercise which would incur Council time and the use of additional resources.

**c. Option (c)**

19. To not re-procure. This would mean that departments would procure separately which would mean that the Council may not be compliant with the Agency Worker Regulations. There may also be a risk of the workers not being correctly checked for certain roles, the terms and conditions not being checked correctly, no control over rates paid for roles, and most likely resulting in extra cost to the Council.

**Risks**

20. If Cabinet elects to approve Option (b), the Council will have insufficient time to conduct the stand-alone procurement exercises required to procure the contract.
21. If Cabinet elects to approve Option (c), there is a significant risk of disruption and increase in costs, as all temporary agency workers will need to be procured outside of a contract, at 'spot' prices. There may also be a risk that workers would not be correctly checked for roles, resulting in safeguarding concerns.

**Reasons for the recommendation/Key benefits**

- The recommendation is to approve the award of the Temporary Agency Worker and 1:1 Tuition contract to Randstad. This will ensure that the Council is able to continue to access an experienced, niche supply chain.
- Randstad are able to offer a seamless transition as they are the incumbent provider. The Council are already familiar with the systems, procedures and key staff which will minimise potential disruption to the service.
- As part of their bid, Randstad have committed to bring additional benefits, including the deployment of an enhanced order/vendor management system, and they will continue to investigate cashable/non-cashable savings, including mitigating off-contract spend.
- Randstad will continue their commitment to maximise the inclusion of Cumbrian SME's within their supply chain, alongside supporting employment opportunities for local Cumbria residents and recruiting and training disadvantaged individuals.

**Financial – What Resources will be needed and how will it be Funded?**

22. Due process has been followed on procuring and awarding the contract and the recommendation to award the contract reflects the outcome of that process.
23. Agency workers are employed across the County Council to cover difficult to fill vacancies, or to provide additional short-term support.
24. There is no specific budget for agency workers as costs, estimated to be £4m per annum, in relation to this contract, are either met from underspends on staffing budgets (where vacancies being covered by agency workers exist), or through savings, where agency workers are utilised to deliver specific projects with defined financial benefits.

25. However, where agency tutors are employed in the Virtual School to support Children Looked After, the costs are funded from the Pupil Premium grant.
26. Use of a call-off from a National Framework will allow greater control over the quality and costs of agency workers, including agency workers employed in the Virtual School, which will bring this area of the Council in-line with other areas of similar external spend.

### **Legal Aspects – What needs to be considered?**

27. Section 111 of the Local Government Act 1972 enables local authorities to enter into contracts in order to deliver their functions.
28. The decision to award this contract due to the level of expenditure is a Key Decision and therefore a decision that can be taken by Cabinet as allowed at paragraph 2.5 of the Constitution Part 2-Governance. The Key Decision process must be followed.
29. The value of the contract for the provision of Temporary Agency Workers and 1:1 Tuition via a Virtual School, is above the EU Threshold for Services. Due to the value of the services they were required to be procured in a manner compliant with the Public Contracts Regulations 2015.
30. ESPO Framework Agreement 653F-19 MSTAR framework agreement was set up for the use of diverse contracting authorities. Legal have checked the OJEU notice and have undertaken due diligence to ensure that the Council can use this framework agreement. The call-off T&Cs were also reviewed and they are robust and fit for purpose.
31. Rule 6.4 of the CPRs has also been complied with in that the minimum process of conducting a written tender open advertisement appropriate to the market was followed.
32. From a legal perspective there are no concerns with the Recommendation this report.

### **Health and Safety Aspects – What needs to be considered?**

33. The contract requires the successful provider to operate in accordance with all Health and Safety legislation. The contract also requires the provider to adhere to our policies and procedures, including Safeguarding.

### **Council Plan Priority**

The Temporary Agency Workers and 1:1 Tuition contributes directly to the Council outcomes.

- People in Cumbria are healthy and safe
- Places in Cumbria are well connected and thriving
- The economy in Cumbria is growing and benefits everyone

## What is the Impact of the Decision on Health Inequalities and Equality and Diversity Issues?

34. The contract requires the successful provider to operate in accordance with Equal Opportunities legislation and demonstrate a commitment to the values of diversity and inclusion. The contract also requires the provider to use an evidence based approach, such as an Equality Impact Assessment, to ensure that policies, processes and services benefit those people with a protected characteristic, without causing disproportionate disadvantage to others.

### Appendices and Background Documents

N/A

### Key Facts

Electoral Division(s): All

Executive Decision	Key Decision Included in Forward Plan	Exempt from call-in	Exemption agreed by scrutiny chair	Considered by scrutiny, if so detail below	Environmental or sustainability assessment undertaken?	Equality impact assessment undertaken?
yes	yes	no	no	no	no	no

Approved by the relevant Cabinet Member/s on 20/11/2019

### Previous relevant Council or Executive decisions

None

### Consideration by Overview & Scrutiny

Not considered

### Background Papers

None

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