

# Finance and Resources Committee

10.00am, Thursday 21 January 2021

## Award of a Contract for the Provision of Temporary Agency Staff, Permanent, Fixed Term Contract and Short-Term Supply Resources

Executive/routine                      Executive  
Wards  
Council Commitments

### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee:
- 1.1.1 Approves the award of a Contract for the Provision of Temporary Agency Staff, Permanent, Fixed Term Contract and Short-Term Supply Resources to Pertemps Recruitment Partnership Limited; and,
  - 1.1.2 Approves the commencement of the contract on 12 June 2021 for an initial period of three years with one optional 12-month extension (undertaken at the sole discretion of the Council) at a total estimated value of up to £56,000,000 over the four-year period.

**Stephen S. Moir**

Executive Director of Resources

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## **Award of a Contract for the Provision of Temporary Agency Staff, Permanent, Fixed Term Contract and Short-Term Supply Resources**

### **2. Executive Summary**

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- 2.1 This report seeks the approval to award a Contract for the Provision of Temporary Agency Staff, Permanent, Fixed Term Contract and Short Term Supply Resources to Pertemps Recruitment Partnership Limited, to commence on 12 June 2021 for an initial period of three years with one optional 12 month extension (undertaken at the sole discretion of the Council) at a total estimated value of up to £56,000,000 over the four year period.

### **3. Background**

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- 3.1 The City of Edinburgh Council (the Council) has a recurring requirement to provide temporary agency workers across the Council to support services throughout the year and to provide an additional flexible resource for service areas. Agency workers are also recruited on an ad hoc shift basis or for a specified period of time, normally up to 12 weeks. In terms of Fixed Term and Permanent recruitment, on occasion the Council may seek an external partner to support recruitment to either an individual role or a specific campaign. This contract will provide the Council with external support for the next three or four years.
- 3.2 The current contract is with Pertemps Recruitment Partnership Limited and was awarded by a mini competition in 2017 through the Eastern Shires Purchasing Organisation (ESPO), a local government regional procurement collaborative, Managed Services for Temporary Agency Resources (MSTAR2) Framework for a period of three years plus one optional 12-month extension which expires on 11 June 2021.
- 3.3 The award of this contract to Pertemps affords the Council the opportunity to build on the previous four years, to build on consolidation of its supply chain to one master supplier, supported by an agreed Tier 2 supplier model. This will continue to be underpinned by appropriate oversight and governance, to ensure the ongoing

development and maintenance of a streamlined and efficient approach to recruitment.

- 3.4 The Council will continue to recruit via existing channels such as myjobscotland and to establish other recruitment channels by developing internal capability (such as direct hire through LinkedIn and via the Council's social media channels).

## **4. Main report**

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- 4.1 Commercial and Procurement Services (CPS) undertook a mini competition utilising Lot 1b (Managed Service Provision: Master Vendor) from ESPO's Managed Services for Temporary Agency Resources (MSTAR3) Framework Agreement (Ref: 653F\_19).
- 4.2 On 12 October 2020, the Council issued an invitation on Public Contracts Scotland (PCS) to nine Managed Service Providers (MSPs) on Lot1b (Managed Service Provision: Master Vendor) of the Framework with a submission deadline of 11 November 2020.
- 4.3 A cost/quality ratio of 50%/50% was applied to encourage competitive fees whilst ensuring that the MSP could fulfil the Council's requirements. To further protect the quality element a minimum quality threshold of 60% was applied, with the Council having the discretion to disqualify MSPs who did not achieve this threshold.
- 4.3.1 Cost 50%
- The price for evaluation was based on fees against pay rate ranges for notional hours in several assignment categories (for Temporary Agency Staff) and notional posts for salary bands (for Permanent Resources, Fixed Term Contract Resources and Short Term Supply Resources) and considered both direct fill from the MSP's own pool and utilisation of Tier 2 Providers. MSP's were requested to complete the Pricing Schedule on the basis of Transfer Under Protected Employment (TUPE) applying.
- 4.3.2 Quality 50%
- In order to demonstrate high standards of service quality, MSP's were requested to answer questions on their proposed service delivery model and attraction strategy. Further questions included fair working practices, community benefits and ensuring compliance with the Equality Act 2010 and Modern Slavery Act 2015.
- 4.4 A summary of the tender process is attached at Appendix1 and the recommendation for award of contract is based upon the completed evaluation scores for the tenders as detailed below:

<b>Managed Service Provider</b>	<b>Quality Score (50%)</b>	<b>Cost Score (50%)</b>	<b>Total Score (100%)</b>
Pertemps Recruitment Partnership Limited	42.50	50.00	92.50
Tenderer B	39.38	41.58	80.96
Tenderer C	39.06	26.51	65.57

- 4.5 The contract will be managed by the Lead Consultant (Strategy), in the Human Resources (HR) Division in accordance with agreed Contract Management arrangements, who will track benefits and monitor Key Performance Indicators (KPI's).

## 5. Next Steps

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- 5.1 Subject to approval, the services will commence on 12 June 2021 for an initial period of three years with the option to extend for up to a further 12 months (undertaken at the sole discretion of the Council).
- 5.2 HR will continue to work with the Pertemps Account Manager to ensure ongoing delivery of the service, coupled with identifying further improvements and efficiencies where possible. This will include consideration of ongoing COVID-19 business continuity and Brexit management planning; there are no TUPE implications as Pertemps is the incumbent MSP.
- 5.3 HR will ensure that effective contract management is delivered throughout the lifecycle of the Contract, in accordance with the Council's contract management framework and with the support of the Contract and Grants Management Team (CAGM), as necessary.

## 6. Financial impact

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- 6.1 The contract value is estimated at up to £56,000,000 over the contract period. Although the Council will continue to seek to reduce the volume of agency worker spend during the same period.
- 6.2 The majority of the annual spend links directly to the salaries of the agency, permanent, fixed term, and short-term supply resources. As these salaries are aligned to the Council's own grades for each job role/description and protected by the Agency Worker Regulations, there are no savings against this element of the spend.
- 6.3 Savings can only be achieved against the MSP/Tier 2 agency and booking fees. The Council anticipates savings up to approximately £749,417.31 based on notional hours and posts as advised by HR. This calculation is based on direct comparison

between the incumbent fees quoted in 2016 and the fees quoted in this tender exercise (with consideration of inflation) and in line with ESPO's indication that when compared with MSTAR2, the MSTAR3 Framework could achieve a saving of 16.3%.

- 6.4 The prices quoted by the successful MSP in the Pricing Schedule will be fixed and applied through the life of the Contract (and any extensions); however, the Council reserves the right to negotiate with the Contractor on the anniversary of the Contract subject to benchmarking and current market conditions.
- 6.5 Agency and booking fees will be based upon Council Grades 1-12 for the duration of the contract period and extension. Should the pay range increase the fee rates submitted will remain fixed as they are linked to the Council Grades.
- 6.6 The costs associated with procuring this contract are estimated to be from £20,000 to £35,000.

## **7. Stakeholder/Community Impact**

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- 7.1 HR surveyed the Council's top 11 users of the current contract and requested information regarding what has worked well and what improvements would be recommended in the future contract. In total five replies were received from Divisions in the Place and Resources Directorates (i.e. those service areas with the highest spend against the contract).
  - 7.1.1 What has worked well: There is good contact and communication with the current MSP and Council Supervisors, with named contacts provided for Council managers dealing with larger contracts. Candidates placed at short notice during the COVID-19 peak made a huge difference to the service whilst the calibre of candidates has been excellent.
  - 7.1.2 Future improvements: Beneficial to see a larger pool of available candidates to meet demands of departments and more Curriculum Vitae (CV)'s required on larger volume placements. Tier 2 arrangements for high volume and hard to fill placements could be improved.
- 7.2 HR will work with the recommended MSP to address the points for improvement.
- 7.3 The Council's Sustainable Procurement Strategy was considered and applied through the request of community benefits. Pertemps will deliver the following benefits which will be agreed at contract commencement and monitored throughout the life of the contract by the contract manager.
  - 7.2.1 Utilisation of the Council's apprenticeship scheme to provide either a school leaver or college leaver an apprenticeship with a Scottish based charity to deliver services in the local Edinburgh community;
  - 7.2.2 Commitment to a minimum of 50 hours volunteering time per annum to support local charities within the community; and,

7.2.3 Commitment to provide three candidates per quarter from the Joined Up for Jobs into an assignment with the Council to support the long term unemployed secure employment.

7.3 Pertemps will pay its own workers (including any agency or sub-contractor workers) the real Living Wage and intends to become an accredited living wage employer over the life of the contract in relation to Pertemps staff. For agency colleagues on assignment with the Council, they will receive the Scottish Local Authority Living Wage as a minimum.

7.4 Pertemps will support the Council in adopting Fair Work Practices and Modern Slavery commitments in accordance with the Modern Slavery Act 2015.

7.5 There are no impacts on carbon, adaption to climate change and sustainable development arising directly from this report.

## **8. Background reading/external references**

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8.1 Not applicable.

## **9. Appendices**

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9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Process.

## Appendix 1 – Summary of Tendering and Tender Evaluation Process

<b>Contract</b>	<b>Award of Contract for the Provision of Temporary Agency Staff, Permanent, Fixed Term Contract and Short-Term Supply Resources</b>	
Contract Period	12 June 2021 – 11 June 2025	
Estimated Contract Value (including extensions)	Up to £56,000,000	
Procurement Route Chosen	Mini competition utilising ESPO's Framework Agreement for Managed Services for Temporary Agency Resources (MSTAR3)	
Tenders Returned	3	
Name of Recommended Supplier	Pertemps Recruitment Partnership Ltd	
Price / Quality Split	<b>50 % Quality</b>	<b>50 % Cost</b>
	<p>The 50:50 cost quality ratio was applied to encourage competitive fees while ensuring that the MSP could fulfil the Council's requirements.</p> <p>To further protect the quality element a minimum quality threshold of 60% was applied.</p> <p>Service Delivery Model – 20%</p> <p>Attraction Strategy – 20%</p> <p>Project Team – 10%</p> <p>Implementation – 10%</p> <p>System Requirements – 7.5%</p> <p>Performance Indicators and Management Information – 5%</p> <p>Community Benefits– 5%</p> <p>Business Continuity 5%</p> <p>Diversity and Inclusion– 5%</p> <p>Fair Working Practices and Modern Slavery Act – 5%</p> <p>Candidate Vetting for Temporary Agency Staff – 7.5%</p> <p>Fair Work Management Information – Not Scored</p> <p>Exit Management Strategy – Not Scored</p>	
Evaluation Team	Three Council Officers from HR	

