

AGENDA ITEM: 13 Pages 70 – 74

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| Meeting | Cabinet Resources Committee |
| Date | 28 February 2012 |
| Subject | Provision of Recruitment Advertising Services |
| Report of | Cabinet Member for Resources and Performance |
| Summary | To approve the award of contract for Recruitment Advertising Contract for a period of 2 years (with an option to extend for a further 12months) from 31 March 2012 |

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| Officer Contributors | Mark Rudd, Head of HR Service Delivery (Deputy Chief Executive Service) Praful Ladwa, Corporate Procurement (Commercial Services) |
| Status (public or exempt) | Public with separate exempt part. |
| Wards affected | None |
| Enclosures | None |
| For decision by | Cabinet Resources Committee |
| Function of | Executive |
| Reason for urgency / exemption from call-in | Not applicable |

Contact for further information: Mark Rudd, Head of HR Service Delivery, 020 8359 2509

1. RECOMMENDATION

- 1.1 That the Committee approves the award of contract to TMP Worldwide Limited as the preferred supplier of recruitment advertising services for an initial period of 2 years (with the option to extend for a further 12 months) from 31 March 2012 under the Eastern Shires Purchasing Organisation (ESPO) framework.

2. RELEVANT PREVIOUS DECISIONS

- 2.1 None.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Corporate Plan 2011-13 states that “we will continue to drive costs out of the Council through transforming our internal organisation” and that we will focus on “...making sure we get the best value from resources across the public sector, including our people and assets” and to meet the Council’s corporate priority “Better services with less money” strategic goal to maximise improvements and savings in back office functions.

4. RISK MANAGEMENT ISSUES

- 4.1 Officers have considered whether there are any risk issues involved likely to raise concern or give rise to policy considerations and are content none exist.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Under the Equality Act 2010, the council and all other organisations exercising public functions on its behalf must have due regard to the need to: a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; b) advance equality of opportunity between those with a protected characteristic and those without; and c) promote good relations between those with a protected characteristic and those without. The ‘protected characteristics’ referred to are: age; disability; gender reassignment; pregnancy; maternity; race; religion or belief; sex; and sexual orientation. The duty to eliminate discrimination also extends to marriage and civil partnership.
- 5.2 All preferred suppliers under the Eastern Shires Purchasing Organisation (ESPO) ‘Advertising & Recruitment Consultancy Services’ framework contract have confirmed through the formal tender process, compliance with all their statutory obligations under the Sex Discrimination Act 1975, Race Relations Act 1976 and the Disability Discrimination Act 1995 or any statutory modification or re-enactment thereof relating to discrimination in employment e.g. Equality Act 2010.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 There are no adverse staffing, IT or property issues as a result of participating in the framework contract.
- 6.2 ESPO objectives are to provide its members and other client bodies a comprehensive, cost effective contracting and procurement service, covering a diverse range of services. The established framework is fully compliant with the Public Contracts Regulations 2006. Terms and conditions are established to underpin the framework, and the framework is centrally managed and monitored by ESPO and participating organisations.

6.3 All Service providers under the ESPO framework agreement were invited to tender for the Council recruitment advertising services. Two out of the three Service Providers submitted bids by the deadline and these were evaluated against the following criteria as set out in the framework agreement and in accordance with current EU procurement legislation:

| Award Criteria | Level 1 Sub Criteria | Level 2 Sub Criteria |
|-----------------|-----------------------|--|
| Technical – 50% | Methodology- 25% | Case Study 1- 12.5% Case Study 2- 12.5% |
| | Capacity – 10% | Workload- 10% Continuity of Service- 5% |
| | Quality of Staff- 15% | Organisation Chart – 5% Personnel- 10% |
| Commercial- 50% | Price – 50% | |

6.4 The table below summarises the results of the evaluation process:

| | Technical- 50% | | | Commercial- 50% | |
|---------------|----------------|----------|------------------|-----------------|-------------|
| Supplier Name | Methodology | Capacity | Quality of Staff | Price | Total Score |
| TMP Worldwide | 20% | 6% | 12% | 50% | 88% |
| Supplier 2 | 7.5% | 6% | 12% | 40.32% | 65.82% |

6.5 The total cost of the contract is difficult to estimate as the services provided are dependent upon actual usage, spend in 2010 was £422,728 and in 2011 was £211,000 (Mar11 – Sep11). Funding for the services required is met from individual service budgets on a project by project basis and any expenditure is contained within existing budgets. The Council has not given any guarantees of volumes of work or expenditure during the tender process. In addition, in recent years the Council has changed its recruitment advertising strategy and has increased the use of online media as opposed to traditional print media, this reduces spend on recruitment advertising. The estimated annual cost of the contract would be approximately £267,000 an estimated saving of £91,348 per annum.

6.6 TMP has offered the council more favourable discounts than its standard framework discounts. The level of discounts actually offered is set out in the exempt report.

7. LEGAL ISSUES

7.1 Procurement processes must comply with the European procurement rules and the Treaty obligations of transparency, equality of treatment and non discrimination as well as the Council's Contract Procedure Rules.

7.2 A Framework is an agreement between a client and contractor or contractors or consultant or consultants (depending upon the nature of the framework), the purpose of which is to establish the terms governing particular call-off contracts that may be awarded during the term of the framework, in particular with regard to price and quantity.

- 7.3 Framework agreements are referenced under paragraph 6.9.1.1 through to 6.9.1.5 of the Contract Procedure Rules, as set out at paragraph 8.2 below. And on the basis of the information contained in the report the relevant provisions of the Council's Contract Procedure Rules have been met.
- 7.4 In accordance with the Council's Contract Procedure Rules, there will be a need to enter into formal contract with the successful tenderer.

8. CONSTITUTIONAL POWERS

- 8.1 Constitution Part 3 "Responsibility for Functions" paragraph 3.6 sets out functions of the Cabinet Resources Committee.

Contract Procedure Rules (CPR) Section 5 "Authorisation & Acceptance Procedures". Under Table 5-1 of the CPR, authorisation by Cabinet Committee is required for contract value of £500,000 and above.

- 8.2 Framework agreements are referenced under paragraph 6.9.1.1 through to 6.9.1.5 of the Contract Procedure Rules, as set out below.

"Before procuring or entering into a framework agreement, the Commercial Director shall be satisfied that:

- 6.9.1.1 the term of the arrangement shall be or is for a period of no longer than four years duration;
- 6.9.1.2 the terms and conditions of the arrangement do not compromise the Council's contractual requirements;
- 6.9.1.3 the parties to the arrangement are recognised public bodies or providers from the private sector;
- 6.9.1.4 full, open and proper competition in respect of the creation of the framework agreement has taken or will take place in accordance with the Relevant EU Rules and/or Relevant Contract Procedure Rules
- 6.9.1.5 Preference should be given to use of any Government Procurement schemes e.g. OGC".

- 8.3 In this case, the proposed contract is for 2 years (with an option to extend for a further 12 months) from 31 March 2012. And the Commercial Director has confirmed that the framework agreement represents a prudent, efficient and economical way of ensuring compliance with procurement rules; and the Commercial Director has given approval to join the framework agreement.

9. BACKGROUND INFORMATION

- 9.1 The Council is seeking to award a contract for the provision of recruitment advertising services under the Eastern Shires Purchasing Organisation (ESPO) 'Advertising & Recruitment Consultancy Services (ESPO Contract 3: Issue No. 11)' for a period of 2 years (with an option to extend for a further 12 months) from 31 March 2012.
- 9.2 Following a tendering process undertaken by the Council, the Council wishes to award the contract to TMP Worldwide Limited, 265 Tottenham Road, London, as the preferred supplier.

10. LIST OF BACKGROUND PAPERS

10.1 None.

Legal – PJ
CFO – MC/JH

