

AGENDA ITEM: 19 Pages 154 – 158

Meeting	Cabinet Resources Committee
Date	4 April 2012
Subject	Provision of Recruitment Services
Report of	Cabinet Member for Resources and Performance
Summary	To approve the award of a call off contract, under the terms of the Office of Government Commerce (OGC) Non Permanent Wider Public Sector Human Resources (RM692/L5A) framework agreement, to Advantage Professional for a period of 2 years (with an option to extend for a further 12 months) from 30 April 2012
Officer Contributors	Sarah Murphy-Brookman Assistant Director HR (Deputy Chief Executive Service) Praful Ladwa, Corporate Procurement (Commercial Services)
Status (public or exempt)	Public
Wards affected	None
Enclosures	None
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in	Not applicable

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1. RECOMMENDATION

- 1.1 To approve the award of a call off contract under the terms of the Office of Government Commerce (OGC) Non Permanent Wider Public Sector Human Resources (RM692/L5A) framework agreement, to Advantage Professional for a period of 2 years (with an option to extend for a further 12 months) from 30 April 2012.

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. The award of this contract will contribute to this corporate priority.

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 The Equality Act 2010, requires public bodies and all other organisations exercising public functions on its behalf to 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.
- 5.2 All preferred suppliers under the Office Government Commerce (OGC) Non Permanent Wider Public Sector Human Resources (RM692/L5A) framework contract have confirmed through the formal tender process, that they comply 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.

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 OGC 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 OGC and participating organisations.
- 6.3 The expenditure in the period 1 October 2010 until 30 September 2011 was £103, 673 and future expenditure will be dependent upon actual usage however it is expected to be approximately £170,000 per annum. 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.
- 6.4 Under the rules of the framework agreement the Council can directly award a contract to a Service Provider based upon the supplier margins offered. Procurement benchmarked each of the suppliers on the framework agreement in order to satisfy that Advantage Professional would provide value for money. The result of the benchmarking exercise revealed that Advantage Professional offered the most competitive margins as detailed below:

Supplier	Margin Offered
Advantage	12%
Supplier A	18%
Supplier B	14%
Supplier C	14%
Supplier D	15%

7. LEGAL ISSUES

- 7.1 Public Contracts Regulations 2006 defines framework as an agreement between one or more contracting authorities and one or more economic operators i.e. a client and contractor or contractors or consultant or consultants (depending upon the nature of the framework), which establishes 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. Where a framework agreement has been previously published in the OJEU, individual call-offs pursuant to its terms do not have to be.
- 7.2 Framework agreements are referred to in paragraph 6.9 of the Council's Contract Procedure Rules (as set out at paragraph 8.3 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.

7.3 In accordance with the Council's Contract Procedure Rules, there will be a need for the Council and the contractor to enter into a formal contract with the successful tenderer.

8. CONSTITUTIONAL POWERS

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

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

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

8.4 In this case, the proposed contract is for 2 years (with an option to extend for a further 12 months) from 30 April 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.

8.5 The cumulative spend including previous expenditure is not projected to exceed £500,000 over the life of the contract, this contract does not therefore constitute a key decision.

9. BACKGROUND INFORMATION

9.1 The Council identified the need for specialist temporary workers. In line with the Corporate Procurement Rules existent at that time the incumbent supplier was given the opportunity to supply appropriate temporary workers. This was not successful and the temporary worker profiles were then advertised through specialist providers. A number of Agencies provided candidates for interview and the candidates provided by Advantage Professional were selected.

- 9.2 At the point of the temporary worker selection the expenditure was not anticipated to be beyond CPR limits.
- 9.3 There is an ongoing need for the specialist temporary workers. This proposal will ensure that there is continuity of service and the award of a two year call off contract to Advantage Professional under this OGC framework contract will ensure that the partner who will manage the back office services under the NSCSO project will then be able to manage the knowledge transfer from the temporary workers to themselves.
- 9.2 The Corporate Procurement Team has identified a compliant procurement route which will formalise current and future requirements. The OGC Buying Solutions framework that has been identified permits Contracting Authorities to place contracts by 'direct award' based upon whole life costs and the suitability of suppliers to deliver the specific requirement.

10. LIST OF BACKGROUND PAPERS

- 10.1 None.

Legal: PD

CFO: MC/JH