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| <b>Procurement Title</b>  |
| Agency Staff Neutral Vendor Managed Service   |
| <b>Procurement Option</b>   |
| Direct Award via Eastern Shires Purchasing Organisation (ESPO) Managed Services for Temporary Agency Resources framework (MSTAR3)   |
| <b>New or Existing Provision</b>  |
| Existing – current contract end date 01/03/2021   |
| <b>Estimated Contract Value and Funding Arrangements</b>  |
| Approximately £10,875,000 per annum, £43,500,000 over four year contract term.<br>Payments in relation to agency staff are transferred to the appropriate service budget.   |
| <b>Contract Duration</b>  |
| Initial period of 24 months with an option to extend the contract beyond the initial term to a maximum of a further 24 months.  |
| <b>Lotting</b>  |
| Not applicable. The contract will be delivered via a neutral vendor, managed service provider model. The provider will manage a supply chain of approximately 81 recruitment agencies to fulfil placements for a variety of job categories.   |
| Lotting the contract into specific job categories would undermine the neutral vendor model and create an unnecessary administration burden on the Council (for example training managers on different provider systems, processing invoices from multiple providers etc.).  |
| <b>Evaluation</b>   |
| A formal tender evaluation is not required as the contract will be awarded through the ESPO MSTAR3 framework via a direct award.  |
| MSTAR3 allows for a simple and competitive route to procuring the required services and is compliant with UK/EU procurement legislation, and therefore removes the need to run a full EU procurement process. All providers listed on the ESPO framework have been assessed for their financial stability, track record, experience and technical and professional ability.   |
| A price benchmarking exercise has been conducted by the council, against all suppliers on the ESPO MSTAR3 framework in order to identify the best value supplier.   |
| Social value commitments are included as part of the contract award.  |
| <b>Contract Detail</b>  |
| The Council employs up to 12,594 staff and requires agency staff to complement and fill vacancy gaps in the workforce at any given time. This may be across work profession categories such as administration, engineering, environmental, facilities management, legal, procurement, and social work, covering various levels, from lower grades to senior management. As such, a variety of agencies is required to fulfil such a varied and diverse workforce requirement. |
| A managed serviced provider (MSP) takes responsibility for customers' temporary staffing requirements rather than the customer managing a selection of agencies themselves. The MSP manages the procurement, placement and payment arrangements of the agency workers assigned by those supplying agencies.   |
| Benefits of using a MSP include:  |

- Reduction in costs through economies of scale, efficiency savings, standardised fees
- Single point of contact
- Streamlining of invoicing
- Structured management information and reporting
- Agreed key performance indicators to drive improved service
- Robust compliance checks
- A more resilient service with access to multiple agencies
- Good opportunity for local and SME providers within supply chain

A Neutral Vendor MSP manages the supply chain but does not necessarily supply any temporary agency workers themselves. The Neutral Vendor MSP may request temporary agency workers from subsidiary or associated companies but must ensure that these companies do not receive more favourable treatment than other agencies, as well as ensuring that the customer is only contracted to the Neutral Vendor MSP and not the agencies directly. All agencies must be on the same fair terms and conditions.

The Council currently has a Neutral Vendor MSP contract with Matrix SCM Ltd, which commenced 2 March 2017 and expires 1 March 2021.

The Skills, Learning & Development (SLD) team manage the contract and wish to continue to use the neutral vendor model as it works well for the Council. A high fulfilment rate of 99% reflects this position.

A price benchmarking exercise conducted against the other providers on the ESPO framework demonstrates that Matrix SCM Ltd continue to offer best value for the Council and also took into account a number of practical implications:

- The resource implications that would be required to re-train all recruiting managers (approximately 399) on a new system should there be a change of neutral vendor provider.
- In areas of high turnover, relationships have inevitably formed between the recruiting managers and agencies where, in some cases, repeat agency workers are preferred so that there is consistency in supporting and providing care to some of the Councils most vulnerable clients. A change of neutral vendor provider could mean that parts of the supply chain are required to sign up to a new vendor. This would take time and have an impact on the supply chain in the short to medium term.
- It is unlikely that rates achievable from the Council conducting its own tender exercise would match the ESPO MSTAR3 framework rates due to the economies of scale commanded by ESPO when procuring their framework.

As a result of the benchmarking exercise the recommended procurement option is to direct award a call-off contract to Matrix SCM Ltd via the Eastern Shires Purchasing Organisation (ESPO) Managed Services for Temporary Agency Resources framework (MSTAR3) framework.

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| <b>Procurement Title</b>  |                            |
| Framework Agreement for Professional and Technical Services   |                            |
| <b>Procurement Option</b>   |                            |
| OJEU – Open Tender  |                            |
| <b>New or Existing Provision</b>  |                            |
| Existing – current contract end date 19/05/2021   |                            |
| <b>Estimated Contract Value and Funding Arrangements</b>  |                            |
| £2.4 - £3.9 million per annum, up to £14.1 million over four years.   |                            |
| Funding for commissions will continue to be through capital programmes and external grants.   |                            |
| <b>Contract Duration</b>  |                            |
| The initial period of the framework will be 36 months with an option to extend the framework beyond the initial term to a maximum of a further 12 months.   |                            |
| Commissions called-off from the framework will vary in length dependent upon the scope of the individual commission. These may extend beyond the end of the framework term.   |                            |
| <b>Lotting</b>  |                            |
| Not applicable. As individual commissions can potentially reach over a number of different service disciplines, lotting by service discipline could restrict the ability of organisations to provide a complete solution.   |                            |
| Therefore, a two-consultant framework with consultants who can cover the full range of service disciplines is the recommended approach. Market analysis indicates a sufficient number of organisations who can offer the full scope of services requested.                  |                            |
| SMEs will have the opportunity to submit consortium or joint venture bids with other suppliers should they not be able to cover all service disciplines themselves.   |                            |
| <b>Evaluation</b>   |                            |
| <b>Framework evaluation</b>   |                            |
| Quality Criteria: 50%   | Financial Criteria: 50%    |
| Social Value will account for 5% of quality criteria, and will target the objectives of:  |                            |
| <ul style="list-style-type: none"> <li>- Promoting training and employment opportunities for local people</li> <li>- Promote environmental sustainability</li> </ul>  |                            |
| <b>Individual commission evaluation (mini competitions)</b>   |                            |
| Quality Criteria: 0-100%  | Financial Criteria: 0-100% |
| Individual commissions that are competed as mini competitions between the two consultants will include quality and financial criteria set at the time of competition, and may range from 100% quality to 100% on price depending on the nature and scope of the commission. |                            |
| <b>Contract Detail</b>  |                            |
| The Council has operated a framework agreement for the provision of professional and technical highway related services for a number of years, the most recent framework covering the period 20 May 2017 until 19 May 2021.   |                            |
| A new framework is required to replace the current framework upon expiry.   |                            |
| The overarching strategic aims of the framework are to:   |                            |
| <ul style="list-style-type: none"> <li>- improve the ways in which contracts are administered;</li> </ul>   |                            |

- to access technical expertise not currently in-house;
- provide economic, efficient and effective service delivery to clients;
- improve the standards of project delivery;
- achieve high quality standards;
- achieve high levels of customer satisfaction; and
- drive value for money from larger individual commissions via mini-competition.

The framework will deliver "top-up" services to supplement the Council's existing in-house design services.

Work commissioned through the framework agreement will include (but not be limited to) professional/technical work relating to:

- civil engineering and geotechnical services;
- environmental services, including urban design planning and public realm regeneration
- traffic modelling, transport planning services, intelligent transport systems and new mobility solutions;
- asset management;
- building structural engineering;
- project management; and
- grant bid preparation.

The recommendation is for the Council to conduct an OJEU Open procurement procedure, to secure a multi-provider (maximum of two consultants) framework.

Subsequent work packages (commissions) will be awarded to consultants on the framework in the following ways:

#### **Commissions with a value of £40,000 or higher**

##### **Price/Quality Mini Competition**

Consultants will submit competitive quotations for the award of a call-off contract by means of a price and quality competition. The framework will be set up to permit variance in the balance of price / quality assessments.

##### **Commissions with a value of under £40,000**

Commissions under the threshold value will be awarded directly to the consultant that was highest ranked in the framework evaluation. The consultant is required to provide a quote for the commission. The quote will be subject to negotiation by the Council. Should the first ranked consultant be unable fulfil the commission, the commission will be offered to the second consultant.

##### **Follow on work, commission revisions**

Follow on work, or commission revisions may require award to the consultant that carried out the initial commission, although this should only occur where it would be impractical or uneconomical to run a mini competition.