

To: Corporate, Policy and Resources Committee

Creation of a Tender for the Provision of Employment Agency Services from 1st March 2017 to 28th February 2019 with options to extend until 2020, 21 & 22.

Date 16 August 2016

For decision

1.0 Reporting to Committee

Linkage to Corporate Plan	
Strategic Priority	Budgetary Control
Objective	Contract Compliance & Governance
Lead Officer	Brid Lofthouse
Cost: (If applicable)	Agreed - as set out in Heads of Service budgets

1.1 Background

At present, Council have a contract in place awarded under the legacy Coleraine Council to provide Employment Agency Services. This contract enabled Ballymoney, Limavady and Moyle legacy Councils to use the contract as and when required. The established contractual arrangement has continued post 1st April 2015 with the current provider Diamond Recruitment Group delivering the vast majority of this service across Causeway Coast & Glens Borough Council at present.

In addition, the legacy Moyle District Council operated a small independent contract with Riada Resourcing and have continued to use the company to provide Employment Agency Services for a number of workers placed within the Moyle region. It is envisaged that both these historical contracts will be brought together into one new contract to supply the required services to Causeway Coast & Glens Borough Council.

Council have a legislative duty to comply with European and UK procurement legislation, in particular the Public Contracts Regulations 2015. Council's main contract for Employment Agency Services (delivered by Diamond Recruitment Group) is now nearing its final end date in late November 2016. For reference, the additional services being delivered by Riada Resourcing have continued on a rolling contractual basis and can be incorporated within a new tender subject to issuing Riada Resourcing with 30 days notice.

To ensure that Council can achieve best value for the service required and continue to comply with the relevant procurement legislation, officers are considering going to market with a new tender for the provision of the service.

1.2 Detail

The provision of Employment Agency Services to Council has been an important element in supporting the legacy organisations throughout their transition to Causeway Coast & Glens. Employment Agency Services continue to provide an important supplementary role now that the new organisation has been established but remains constrained by the vacancy control process. Whilst it is envisaged that the number of workers engaged under the Employment Agency Services contract will decrease over the coming months as the new structures are populated, the contract still plays a crucial role in ensuring that an adequate and flexible workforce are available to support Council's requirements. This is especially true of temporary seasonal positions for which demand is expected to continue at a similar level into the future.

With regard to spend, some £4.3m per annum is currently spent under the contract and approximately **100/150** full time equivalent staff are supplied through the contract on a daily basis. With such large financial and workforce implications, it is important to give this contract detailed consideration when drafting tender documents and going to market. Since summer 2016, officers have been gathering data related to the contract and have also commenced a review of the tender documents.

1.2.1 Rationale for the Creation of a Tender for the Provision of Employment Agency Services

As discussed in section 1.1, the current contract for provision of Employment Agency Services is nearing its final end date. The contract was awarded for a three year period from December 2012 with an initial expiry date of November 2015 and the option to extend for a further period of one year, until November 2016. Now that this extension option has been utilised there is no further scope to extend the contract and Council must set up a new contract to continue to provide Employment Agency Services.

Officers have considered the option of using a framework agreement to provide the services. While this option would provide compliance with procurement regulations and have the potential to establish a new contract quickly, officers felt that Council may not have sufficient control over the operation of a framework contract and have seen the creation of a standalone Council tender for these services as the most appropriate option. Moreover, due to the complex nature of Employment Agency Services contracts, particularly in relation to national insurance charges and other statutory contributions, officers are of the view that costs can be much better controlled through the use of a standalone tender document.

To provide Council with sufficient time to draw up detailed tender documentation, run the procurement exercise and make recommendations to award the new contract, Council have written to Diamond Recruitment Group to establish their position on the option of a monthly rolling extension to the contract, at current charge rates, until no later than 31st March 2017.

1.2.3 Summary Recommendations

It is recommended that Council continue to draft tender documentation and issue a new tender to the marketplace in early September 2016 to enable tender evaluation to be completed and recommendations to award to reach Council around mid-January 2017.