

Agenda Item

Executive Board

25 June 2008

SB



Tender for a preferred supplier of recruitment consultancies under a framework agreement

Summary

To initiate a tender process for the supply of temporary, permanent and fixed term staff under a framework agreement in order to reduce costs, maintaining service delivery and to mitigate risk.

Recommendation

Proceed with the appointment of a project board in order to complete a Tender process to procure Recruitment agencies for the supply of temporary, permanent and fixed term staff.

a) Reasons for Recommendation

The Council has been using recruitment services to supply temporary, permanent and fixed term staff. The agency spend for the recruitment of temporary staff is sufficiently substantial to require a formal tender process to comply with legal and financial obligations. All temporary staff are requisitioned through a staff requisition process which includes sign off at Director and Chief Executive level.

b) Alternative Options

Continue with the current framework arrangement

c) Risk Considerations

The risks relate to recruitment agencies stepping outside of the agreement if not properly formalised which could relate to rising costs. We may be open to legal challenges from agency workers challenging their employment status if not properly managed; we therefore need an agency with the capability to fulfil this part of their service provision successfully.

1 Main Body of the Report

In 2005 the Council informally established a preferred supplier framework for engaging staff through recruitment agencies. The concept of a preferred supplier is to select a supplier of the required service on the basis of possessing certain attributes that are favourable in terms of service delivery and quality.

In return for using the supplier of services the Council receives a favourable discount and is able to build a relationship with the preferred supplier. The supplier gets to understand the requirements and culture of the organisation and this assists them in providing the right people. The reasons for setting up a preferred supplier framework were also to achieve an economy of scale analysis in terms of numbers and spend and to establish a preferential rate for to make substantial savings. We have now been able to collect information regarding agency usage, spend and savings.

The Agency Spend is substantial and therefore a formal tender process should take place in order to comply with legal and financial obligations. In 2006/07, we made a saving of £17,987 and in 2007/2008 we saved £38,628 by having a preferred supplier process in place.

- 1.1 We would aim to establish a framework with preferred rates of business to run for 3 years for the supply of temporary, permanent and fixed term employees.
- 1.2 Initiating a formal tender to establish a framework will provide efficiency savings in supply of temporary, fixed term and permanent staff.
- 1.3 To ensure that we sure have the right people at the right time with the right skills to support the corporate priorities
- 1.4 To mitigate the risk of employment challenges.

Legal Implications

This report sets out brief details of the intention to carry out procurement procedures within current legislation. It may be possible to use existing government framework agreements without needing to set up the Council's own new framework. The legal options need to be properly considered and this report is effectively seeking authority for officers to start the process.

Financial Implications

The financial implications are indicated within the report.

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