

REPORT TO: Executive Board

DATE: 5 September 2013

REPORTING OFFICER: Strategic Director – Policy & Resources

PORTFOLIO: Resources

SUBJECT Agency Workers – New Framework Contract

WARD(S): Borough-Wide

1.0 PURPOSE OF REPORT

1.1 To seek approval for the Council to access a framework agreement for the provision of agency workers in compliance with Procurement Standing Orders 1.3.1 Framework Agreements and 2.10.3 Acceptance of Tenders exceeding £5m.

2.0 RECOMMENDED: That

- 1) the Council access the MSTAR Framework under a call-off contract with Matrix SCM for the provision of agency workers, in compliance with Procurement Standing Orders 1.3.1 Framework Agreements and 2.10.3 Acceptance of Tenders exceeding £5m;**
- 2) the Council continues to participate in the collaborative supply arrangement with Merseyside Procurement Partnership (MPP) to ensure maximisation of purchasing power on a common category of spend within the region; and**
- 3) Directorates continue to ensure full compliance with the new agency worker framework under a call off with Matrix SCM, in order to provide continuous improvement, visibility of spend and value for money efficiency gains. In addition, no protection should be given to existing suppliers who will not sign up to the contract.**

3.0 SUPPORTING INFORMATION

3.1 The Council has significantly reduced its spend on agency staff over recent years (see Executive Board report of 28th March 2013). It will continue to carefully scrutinise the use of agency staff in the future. However, there will always be an operational need to use some agency

support in order to maintain essential services. It is important that the Council has effective arrangements in place to secure such support.

- 3.2 The Merseyside Procurement Partnership (MPP) awarded a collaborative framework agreement in September 2009 for a period of 4 years to Matrix SCM for the provision of agency workers. The total MPP collaborative spend to date is £40 million. The Council currently spends approximately £1.9m per annum and therefore the total contract value is estimated to be £7.6m over the four year term of the framework contract.
- 3.3 A preliminary estimates report was approved by the Board on 28th March 2013, in order to participate in a collaborative procurement process with MPP which was led by St. Helens MBC.
- 3.4 St. Helens have undertaken a pre-procurement process for MPP, with all members participating in the options appraisal and market review to identify the best solution available, as an alternative consideration to conducting a new tender process. This will minimise duplication of seeking competition from the supply market and remove unnecessary resource and process costs for both councils and suppliers, whilst fully complying with the EU Public Contract Regulations.
- 3.5 As a result of this process, the MSTAR Framework has been identified as the best option for MPP members to select. This will operate from September 2013 for an initial 3 year term, with an option to extend for a further 12 month period. The Council's total contract value for this service is estimated to be £6.8 million over the 4 year term of the framework agreement. The conditions of the framework agreement allow for a direct award to be made to Matrix SCM without the need to re-open further competition.
- 3.6 The MSTAR framework is a national framework for the provision of agency resourcing services to local authorities and other wider public sector organisations throughout the UK. This national framework has been established by Pro5, led by Eastern Shires Procurement Organisation (ESPO) on behalf of the Local Government Professional Services Group (LGPSG). This complies with the Council's Procurement Standing Orders 1.3.1 Framework Agreements.

Framework Evaluation and Award Criteria

- 3.7 The MSTAR framework was evaluated in line with MEAT (Most Economically Advantageous Tender) principles based on Quality and Price.

Quality – Service Provision – 40%
Price - 60%

Matrix SCM was ranked top on quality and price for the following lot within the MSTAR framework that would be applicable to MPP Members:

Lot 1(a) Corporate Staff; Supply Chain Management

Value for Money

- 3.8 The Council's potential annual savings from accessing the new MSTAR Framework Contract will be approximately £37,000 (2%) of current annual spend via Matrix SCM.

The MSTAR contract allows public sector organisations to directly call-off Matrix SCM allowing the MPP members to benefit in a number of ways:

- Additional cashable savings through reduced rates
- No need to undergo a separate tender process
- No cost of change as Matrix SCM is the incumbent supplier to MPP members
- No new implementation exercise for Council officers
- No need for Council officers or SME's to learn a new process

- 3.9 The new framework also includes additional elements for safeguarding vulnerable adults and children, with specified documents i.e. CRB's, Candidate's photographs and qualifications will also be available on-line for managers to verify prior to a potential candidate being accepted.

- 3.10 The new Agency Worker Framework Agreement will be open for the 9 members of the MPP; Halton BC, St. Helens MBC, Liverpool CC, Knowsley MBC, Sefton MBC, Wirral MBC, Cheshire West and Chester, Merseytravel and Merseyside Fire and Rescue Service.

4.0 POLICY IMPLICATIONS

- 4.1 None.

5.0 OTHER IMPLICATIONS

- 5.1 None.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

- 6.1 Children and Young People in Halton
Compliance with safeguarding and CRB requirements for candidates.

6.2 Employment, Learning and Skills in Halton
None.

6.3 A Healthy Halton
None.

6.4 A Safer Halton
None.

6.5 Halton's Urban Renewal
None.

7.0 RISK ANALYSIS

7.1 The Council may be open to risk from increased non-compliance and costs if a corporate framework agreement is not approved, as there would be minimal management information available to provide visibility of the charge rates to the Council and how this is broken down. As a result we would be unable to identify how many Agency Workers we have within the Council or the length of service in compliance with the Agency Working Regulations (AWR) 2011.

7.2 Use of the MSTAR framework agreement provides full compliance with the EU Public Procurement Regulations 2006.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 None.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
MSTAR Framework Agreement.	Procurement Division Kingsway House Widnes	Lorraine Cox Head of Procurement
EU Public Procurement Regulations 2006.		