

## London Borough of Hammersmith and Fulham Record of Cabinet Member Decision

**The call-in period expired on 17 June 2022 at 3pm and the decision can be implemented.**

- ❖ Draft Decision List published on: 14 June 2022
- ❖ Confirmed Decision List published on: 17 June 2022

1. **TITLE: Contract award report for the provision of agency, interim, and temporary workers**

2. **DECISION MADE BY:** Cabinet Member for Finance and Reform

3. **DECISION:**

1. To approve the award of a contract for 2 years starting 1 July 2022 with an option to extend for up to 2 years, not exceeding a total value of £80m over 4 years to Pertemps Limited for the provision of the agency, interim and temporary workers.

2. £80m is the maximum value of the contract award based on the last 4 years spend as specified in the strategy report. However, during the financial year 2021/22 the Council spent £11m on agency staff, achieving the 50% reduction target set in 2020. This contract will use the enhanced services and competitive rates to monitor and make cost savings and therefore the sum, over the 4-year contract period is likely to be substantially less than £80m.

3. To note that **Appendix 2 and Appendix 3** are not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

4. **REASON FOR DECISION:**

The Council, in common with all local authorities, requires the potential to be able to engage a wide range of agency placements to cover vacant posts or for specific time-limited projects or roles where it does not have internal capacity or expertise. It is normal practice to use a neutral vendor provider through which suitable candidates can be sourced and engaged.

Working with the supplier has, particularly over the last two years, been highly

collaborative as the council focusses on spend control in this area. The new contract and arrangements will continue and accelerate that collaboration to control spend whilst remaining adaptive to sudden changes in the labour market.

The Eastern Shires Purchasing Organisation (ESPO) is a recognised consortium set up to tender for National frameworks that are accessible to local authorities and public sector bodies.

This is the third in a series of successful frameworks, (MSTAR1, MSTAR2 and now MSTAR3) further demonstrating ESPO's proven experience, market knowledge and procurement know-how in the temporary/interim staffing market. The market was tested with the Mstar3 framework in place from 11 April 2019 to 10 April 2021 with an option to extend for a further 24 months until 10 April 2023.

Under MSTAR3 Lot1a, there are 10 suppliers. All suppliers were assessed during the procurement process for their financial stability, track record, experience, technical and professional ability.

Suppliers are not ranked under the framework. The delivery model under Lot1a is Neutral Vendor i.e., where the supplier manages a chain of agencies but may also supply temporary agency workers where this is done through a subsidiary company

The MSTAR3 customer agreement Appendix 2 sets out contract specifications with the option for additional modular build services in line with H&F specification.

The Neutral vend will supply and manage the effective provision of temporary agency workers across H&F for the duration of the contract.

Through the tender Pertemps Limited have demonstrated good technical knowledge and provided value for money. Full technical and commercial evaluation can be found in Appendix 3.

**5. ALTERNATIVE OPTIONS CONSIDERED:**

See report.

**6. CONFLICTS OF INTEREST DECLARED AND DISPENSATIONS GRANTED:**

None.

<b>Date of Decision</b>
09 June 2022