

STAGE 1 FORM - APPROVAL TO PROCEED TO TENDER

Following the introduction of new Spend Control Processes, this form must be completed for all procurements above £25,000. If contract value is over Cabinet approval threshold (£500,000) this form shall be appended to the Cabinet report - this form will be "open" for publication.

Once completed, this form must be sent to the relevant Category Manager.

1.	CONTRACT DETAILS		
1.1	Contract title	Temporary (Agency) Worker Resources Contract	
1.2	Reference number	PS-2023-102	
1.3	Responsible Officer	Suzanne Hawthorne	
1.4	Directorate	HR, OD & Transformation	
1.5	Contract description	Procurement of a new Agency Worker Contract to replace the current arrangement with Matrix SCM which expires on 15th December 2023.	
1.6	Applicability of off payroll working (IR35) rules*	Is this an applicable contract?	No
		Employment status for tax**	N/A
1.7	Proposed contract start	16/12/2023	
1.8	Proposed contract end	15/12/2026	
1.9	Proposed extension options	One Year	
1.10	Estimated contract value	Excluding VAT	£ 40M including extension period
		Including VAT ¹	£ 40M
2.	BUSINESS CASE		
2.1	Business case	<p>The Council currently contracts with Matrix SCM "the Managed Service Provider" for the supply of contingent labour which expires on 15th December 2023. The contract will have been in place for four years and was awarded following a mini-competition undertaken through ESPO (Eastern Shires Purchasing Organisation).</p> <p>Provision for cost and quality effective contingent labour is key to effective use of resources for Thurrock alongside the mix of permanent staff.</p> <p>The current arrangement cannot be extended further and therefore it is necessary to embark on a re-commissioning exercise to put in place a new contract for December 2023.</p> <p>The option to progress with a mini competition for a neutral vendor through the ESPO framework will allow the Council to</p>	

¹ Required solely to determine whether the contract value exceeds the UK public procurement threshold (which includes VAT)

		ensure maximum spread of agencies including local providers, deliver consistent pricing and fee structure and develop a bespoke service that fully meets Thurrock's requirements. Employment of local people (and the engagement of local agencies) will be key in this procurement..
2.2	Expenditure control criteria	The spend is for essential statutory services, goods and/or works
2.3	Expenditure control justification	The supply of agency workers is crucial to respond to changes in the economy and employment market. Using a managed service provider will continue to support, across the period of the previous contract, to mitigate the risks associated with revised legislation including tax implications such as IR35.
2.4	Award criteria	40:60 Quality & Price
2.5	Social Value	As part of our current contract Matrix SCM provide social value for Thurrock through the provision of employment workshops and engaging with our careers team to help increase employability of local people in the borough. Social Value will play a key part in the re-procurement of the contract with us looking to enhance and build upon the current offering received.
2.6	Previous contract	PS-2019-222

3.	FINANCIAL CONSIDERATIONS	
3.1	Previous contract spend	£33M
3.2	Scope of changes	Build in flexibility around margins for potential specialist agency requirements to avoid off contract spend.
3.3	Budget considerations	Budget will be from hiring manager staff costs. Bulk are payroll costs. A small percentage is attributed to SCM and Agency Costs. This is current done as a fixed amount depending upon job role.
3.4	Expenditure type	Revenue
3.5	Cost centre	DZ200-0410-DZ007
3.6	Anticipated savings	No savings anticipated.

4.	PROCUREMENT ROUTE	
4.1	Procurement route	Further competition under framework
4.2	Rationale	ESPO MStar Framework has been successfully utilised in the past. ESPO has just launched the latest version of the frameworks MStar4 which has separate lots including Neutral Vendor and also incorporates a specific modular build option that will enable Thurrock to tailor the core specification to meet requirements.

5.	PROPOSED PROCUREMENT TIMETABLE		
5.1	Procurement timetable	Publish Contract Notice	N/A
		Selection Questionnaire return	N/A
		Invitation to Tender issue	25/09/2023
		Tender return	13/10/2023
		Notification of result	27/10/2023
		Standstill period	06/11/2023

	Expected award	08/11/2023
	Contract commencement	15/12/2023

6.	RISKS, CONSULTATION AND MANAGEMENT	
6.1	Risk management	See attached risk register
6.2	Contingency	In the event the tender process is delayed, permission will be sought to extend the existing contract with the incumbent supplier for the intervening period.
6.3	Consultation	An Officer group of directorate representatives will be set up to discuss the performance of the current contract to help review and further inform the procurement specification. This will ensure specific directorate needs relating to agency resources are considered
6.4	Data Protection**	No personal data will be used during the tender process.
6.5	Project and contract management ²	Tier 1 - High Level Contract Management
		The project and contract will be managed by the Strategic Lead within HR, OD & Transformation Directorate. It is anticipated there will be quarterly and annual reviews.
6.6	Will TUPE apply to the proposed contract?	No
		N/A
6.7	Community and Equalities Impact Assessment****	This will be part of the tender process and agencies will need to demonstrate their commitment to Equal Opportunities.
6.8	Exit strategy	There is an exit strategy within the contract with the incumbent supplier that ensures continuity of service and minimises disruption as part of any new contract implementation procedures.
6.9	Collaboration	N/A

7.	PROCUREMENT IMPLICATIONS	
7.1	Category Manager comments	The contract is due to expire with no permissible extensions available. A review of potential routes to market shows that utilisation of the ESPO framework offers the best solution for the Council to undertake a competitive process. Most costs within the contract are payroll and WTR costs, with the remaining costs attributed to agency and SCM fees. As part of this procurement exercise, it intended that flexibility will be built in to allow agencies to supply staff in hard to recruit positions.

8.	APPROVALS	
8.1	Authorised Signatory	In accordance with the Contract Procedure Rules, I confirm the accuracy of the information contained within this form and authorise this request to proceed to tender.
		Comments
		Delegation level Cabinet delegated authority to Corporate Director in consultation with the Portfolio Holder (over £500,000)

² Refer to the contract management framework or your category manager for guidance

		Name	Jackie Hinchliffe
		Signed	
		Date	
8.2	Strategic Approval Panel	Decision	
		Panel members	
		Date of decision	
		Comments	
		Decision sent by	
8.3	Procurement	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Procurement implications	
		Name	Vanessa John
		Signed	
		Date	
8.4	Legal (only required if spend is above £75k)	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Legal implications	
		Name	Kevin Molloy
		Signed	
		Date	
8.5	Finance (only required if spend is above £75k)	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Financial implications	
		Name	Rosie Hurst
		Signed	
		Date	
8.6	Responsible Officer	I confirm that this procurement will be carried out in accordance with Rule 5 of the Council's Contract Procedure Rules (Chapter 9, Part 2 of the Constitution).	
		Name	Wendy Jackson
		Signed	
		Date	
8.7	Cabinet (only applicable if £500k or over)	Minute number	Enter approval / delegation minute reference
		Date	Click here to enter a date.

*Guidance on the rules surrounding contractor employment status for tax can be found on the below link:
<https://www.gov.uk/guidance/understanding-off-payroll-working-ir35>

**The Check Employment Status for Tax (CEST) tool can be found on the below link:
<https://www.gov.uk/guidance/check-employment-status-for-tax>

***Information on Data Protection and the DPIA form can be found on the following link:
<https://intranet.thurrock.gov.uk/services/information-management/data-protection/>

****You can search for Community and Equalities Impact Assessment guidance using the following link:
<https://intranet.thurrock.gov.uk/document-store/>

Section 6.1 – Risk Management

Tender Process Risks	Risk Level		Negative Impact	Mitigation
Lack of interest	Likelihood - Low	Limited Impact	Lack of Competition	Direct award is possible via ESPO MStar4 Framework and extend contract with existing provider.
Challenge from losing bidder	Likelihood - Very Low	High Impact	Contract set aside.	Direct award is possible via ESPO MStar4 Framework and extend contract with existing provider and run a new competitive process
Contract Performance Risks	Risk Level		Negative Impact	Mitigation
Significant increase in spend	Likelihood - Low	High Impact	Budget overspend	Strong performance management and control
Failure to supply/fulfil roles	Likelihood - Medium	Medium Impact	Lack of staff to carry out essential services	Ensure specification includes flexible options to ensure contract compliance.