

**Report of:** Jane Lubbock, Facilities Management Business Manager.  
Glen Wooldridge, City Works Business Manager.  
Paul Warters, Revenues & Benefits Business Manager.

**Title:** Request for major project approval to award contracts for  
The supply of temporary agency staff  
The sale of recovered paper  
The services of bailiffs

**Ward:** All

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**Key Decision:** Yes

**Lead Member:** Councillor Baker

**Scrutiny responsibility:** Finance

## **RECOMMENDATIONS**

**That the Executive Board agrees to:**

- 1. Grant major project approval and approve the award of three contracts.**
  - The supply of agency staff through a single supply arrangement with a local supplier for the next three years to Champion recruitment.**
  - The sale of the recovered paper collected from households for re use as newspapers and magazines to Aylesford Newsprint.**
  - A single supply arrangement for bailiff services to assist with Council Tax collection to Bristow and Sutor.**

**Each of the proposed contracts has been tendered in accordance with the Constitution and EU regulations. Legal services have been involved throughout the whole of the tendering process.**

## 1. Summary

- 1.1 This report explains why the Council has undertaken a tendering process to set up contracts with suppliers to provide the services, the processes undertaken and the reasons for requesting approval to award a contract.
- 1.2 Full details of the contract arrangements and the background to the major project approval request for each contract is given in the first three appendices attached to this report. Appendix D provides a summary of the final evaluation for the temporary agency staff and bailiffs contracts.

## 2. Vision

- 2.1 The proposal fits into the Council's vision by enabling us to continue improving our performance by working with other suppliers to deliver services as follows:

a) Maintaining financial stability

The contract for the supply of temporary agency staff and the sale of recovered paper both deliver additional financial savings for the Council. The bailiff services contract is a nil cost service to the Council but the discretionary costs that can be charged by bailiffs are lower with the proposed new supplier and will reduce the financial cost burden to the debtor for parts of the bailiff service.

b) Creating local prosperity and sustaining full employment

The proposed new contract for temporary agency staff will be a countywide contract for all of the Oxfordshire councils. The proposed new supplier is a local company who draws most of their agency staff from the local area. The total annual value of the contract is in the region of three million pounds. The Council currently spends about 1 million pounds a year on agency staff.

c) Improving all of our services year on year

By re-tendering our contract and working with other Councils we have been able to achieve improved contract pricing and an improved quality of service from our suppliers. This improvement will support the business units in being able to deliver more cost effective services.

### **THIS REPORT HAS BEEN SEEN AND APPROVED BY:**

Portfolio Holders:	Councillor Bill Baker, Councillor John Tanner, Councillor Paskins
Strategic Director:	Mark Luntley
Strategic Director:	Sharon Cosgrove
Legal and Democratic Services:	Lindsay Cane
Financial Management:	Andy Collett
Human Resources:	Ann Marie Scott

- Appendix A - Contract award for the supply of temporary agency staff.
- Appendix B - Contract award for the sale of recovered paper.
- Appendix C - Contract award for the supply of bailiff services.
- Appendix D - Summary of contract evaluation.

## **Contract award for the supply of temporary agency staff**

### **1. Background and Context**

- 1.1 Oxford City Council has had a contract for the supply of its agency staff in place since April 2003. The existing contract consists of three main suppliers operating a preferred supplier arrangement. This contract has been a success and the Council made savings in 2004/5 as follows:
- £75,300 financial savings from a reduced margin charged by the supplier and a rebate of 1% for 30 days payment.
  - £32,000 from not having to pay an introductory fee for any temporary agency employee who subsequently applies for a post with the Council (temp to perm fee).
  - £143,000 efficiency savings as the main supplier provides one consolidated monthly invoice for all agency staff supplied. We previously paid weekly invoices for each temp. The contract has resulted in over 2842 invoices not having to be processed each year.
- 1.2 The existing contract needed to be re-tendered and Oxford City Council agreed to lead on a joint contract with all the Oxfordshire councils and seek to appoint a common supplier(s) that could provide this services for us all. The tender process commenced in Autumn 2004 using the OJEU process and resulted in nine tenders being submitted in April 2005.
- 1.3 A panel of officers from all of the authorities have been involved in the evaluation of the submissions at all stages and unanimously agreed that a master vendor contract be offered to Champion Employment. A copy of the final evaluation is attached.
- 1.4 The new contract will reduce the margin for the majority of jobs and will achieve additional savings of approximately £13,000.
- 1.5 In addition Champion are proposing to supply specialist and professional staff through the contract and have set up agreements with a number of national suppliers who supply environmental health officers, housing officers, legal staff and planners. At present many of these agency staff are still sourced outside of the contract. By sourcing these posts at the contract margins will enable the Council to save an additional £5,000. Champion has already agreed arrangements with an additional six suppliers.

## **2. Options**

2.1 There are four other options to be considered:-

- Have no contract arrangements in place. This would mean that we do not comply with the EU regulations. Our annual spend is well above the threshold of £154,000.
- Set up a range of smaller preferred supplier contracts. This would be possible but would result in more work in managing the contract and it is unlikely that based on using a number of suppliers that they would have worked to our contract terms.
- Set up a countywide council managed service to provide agency staff. This is a specialist service and would need to be resourced, managed and funded.
- Restrict the use of agency staff. Many of our direct services have to rely on a regular supply of agency staff to cover gaps in staff resources. The restriction in the use of agency staff would severely affect some services.

2.2 There have been no comments received from the inclusion of the scheme in the Forward Plan.

## **3. Financial Implications**

3.1 The proposed contract will continue to provide the existing savings plus bring new savings through the new contract.

3.2 The management of the contract will continue to be monitored by the procurement team in Facilities Management with detailed monthly reporting being provided to Human Resources.

3.3 Regular review meetings will continue to take place to monitor the quality of service, standard of agency staff provided, service standards, temporary agency fill rates. The monthly financial and efficiency savings will also continue to be monitored.

## **4. Legal Implications**

4.1 There has been a large amount of new case law affecting the employment of agency staff and the implications of a temporary worker staying in the same post for an extended period. Arrangements have been put in place within the new contract to monitor and manage this.

## **5. Staffing Implications**

5.1 There are no staffing implications.

**6. Other means of achieving the objective**

6.1 There are no other options for achieving the objective of providing agency staff.

**7. Grounds for recommending the proposed option**

7.1 These are set out in Section 1 of this report and the attached summary of the tender evaluation.

## **Contract award for the sale of recovered paper for re-use as newspapers and journals**

### **1. Background and Context**

- 1.1 Oxford City Council currently collects papers and newspapers from households in Oxford. When the paper is collected it is sorted so that it can be sold for re-use. Specialist suppliers buy paper for re-use at different grades and the amount paid per tonne depends on the grade of the paper.
- 1.2 We currently collect 3,400 tonnes of paper a year that can be sold for re-use. The standard of paper we sell has a low tolerance level of prohibitive materials and as a result we are able to command a higher price.
- 1.3 The current contract has expired and a new contract needs to be put in place. We currently receive net £33 per tonne ex-works.
- 1.4 This contract is not subject to EU regulations. An advertisement was placed and tender submissions invited. Only one tender submission was received by the deadline.
- 1.5 The tender has been evaluated and meets all of our criteria. The submission also offers £45 per tonne ex-works. This will increase the income received by £37,400 a year. The paper price offered is fixed for three years.

### **2. Options**

- 2.1 There is only one realistic option to be considered which is to sell the paper for re-use.
- 2.2 There have been no comments received from the inclusion of the scheme in the Forward Plan.

### **3. Financial Implications**

- 3.1 The proposed contract will provide increased revenue from the sale of the recovered paper and put it back into re-use.
- 3.2 The City Works cleansing support team will monitor the contract.

### **4. Legal Implications**

- 4.1 There are no legal implications apart from the contract award and ensuring that the suppliers work to the terms of the contract.

### **5. Staffing Implications**

- 5.1 There are no staffing implications.

**6. Other means of achieving the objective**

6.1 There are no other options of achieving the objective.

**7. Grounds for recommending the proposed option**

7.1 These are set out in Section 1 of this report.



## **Contract award for the provision of bailiff services for council tax collection**

### **1. Background and Context**

- 1.1 Oxford City Council has not previously had a contract for the provision of bailiff services. Up until now two different bailiff companies have provided this service with some success. The current value of the work passed to bailiffs is approximately £110,000 a year. This is the amount charged by the bailiffs to the debtor during the course of collection the debt.
- 1.2 Although the Council is not the payee of these services the value of the work falls within the value as set out in the EU regulations and should be tendered.
- 1.3 Most of the bailiff charges are regulated and fixed by statute, however some costs, particularly the charge to the debtor for the removal of goods is charged at discretionary rates and vary between bailiff companies.
- 1.4 Oxford has a transient population and some bailiff companies will only work in certain areas making it difficult to pursue the council tax debts for people who have moved from the area.
- 1.5 Nine suppliers were invited to tender. Following tender evaluation and presentations by five suppliers both Councils agreed that Bristow and Sutor should be awarded the contract.
- 1.6 The new contract will result in a reduction in the charge to the debtor for where discretionary charges are levied and will provide an improved service to the Council to assist in the collection of Council tax debts.

### **2. Options**

- 2.1 There are two other options to be considered:-
  - Do not put any contract arrangements in place. This would mean that we do not comply with the EU regulations and the value of this service could exceed the threshold of £154,000.
  - Set up more than one contract so that different bailiff companies are used to support the collection of council tax. This would be possible but would result in more work in managing the contract arrangements and would create inconsistency with collection. It is unlikely that based on using a number of suppliers that they would work to our contract terms.
- 2.2 There have been no comments received from the inclusion of the scheme in the Forward Plan.

### **3. Financial Implications**

- 3.1 The proposed contract will result in reduced the costs by the payee where discretionary charges are levied.
- 3.2 The management of the contract will continue to be monitored by the Council Tax team in revenues and benefits. Detailed monthly and weekly reporting will be provided by the supplier.

### **4. Legal Implications**

- 4.1 Bailiff services are subject to regulated charging and codes of practice.

### **5. Staffing Implications**

- 5.1 There are no staffing implications.

### **6. Other means of achieving the objective**

- 6.1 There are no other options for achieving the objective of providing agency staff.

### **7. Grounds for recommending the proposed option**

- 7.1 These are set out in Section 1 of this report and the attached summary of the tender evaluation.

**Tender evaluation scores for the temporary agency contract and the bailiff contract**

**Temporary Agency contract summary of scores**

	Supplier A	Supplier B	Supplier C	Supplier D	Supplier E	Champion	Supplier G
PRICING PERCENTILE FROM 60% AVAILABLE	36.43	36.43	40.00	27.86	8.57	47.86	40.71
POSITION (PRICING)	4	4	3	6	7	1	2
QUALITY PERCENTILE FROM 40% AVAILABLE	34	23	5.7	17	11	40	29
POSITION (QUALITY)	2	4	7	5	6	1	3
<b>TOTAL PERCENTILE</b>	<b>70.43</b>	<b>59.43</b>	<b>45.70</b>	<b>44.86</b>	<b>19.57</b>	<b>87.86</b>	<b>69.71</b>
<b>FINAL POSITION</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>1</b>	<b>3</b>

Champion is supplier F

**Bailiffs contract summary of scores**

	SUPPLIER A	SUPPLIER B	SUPPLIER C	SUPPLIER D	SUPPLIER E	SUPPLIER F	SUPPLIER G	SUPPLIER H	SUPPLIER I
Quality	35.60	19.72	40.71	38.62	37.76	40.79	35.78	37.62	44.18
Pricing	46.13	46.75	46.1	48.03	43.01	49.33	43.34	42.56	48.85
Total	81.73	66.47	86.81	86.65	80.77	90.12	79.12	80.18	93.03
<b>Position</b>	<b>5</b>	<b>9</b>	<b>3</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>8</b>	<b>7</b>	<b>1</b>

Bristow and Sutor is supplier I