

Report of: Head of Service Delivery, ICT Services

Report to: Chief Information Officer

Date: 4 August 2014

Subject: Temporary waiver of Contract Procedure Rules 9.1 and 9.2 in respect of the supply of ICT Resource

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. ICT need to ensure that a comprehensive, effective, efficient and economic service for the supply of temporary specialist ICT resource is provided.
2. ICT used the Comensura route for procuring resource. However this has proved to be unsuccessful as they are unable to meet the specialist skills requirements.
3. ICT have previously sourced contractors through ad hoc recruitment agencies who have agreed to the terms and conditions set by ICT services and are willing to continue supply.
4. A full procurement will be undertaken for the on-going supply of specialist ICT resource however this will take between 9 and 12 months to complete.

Recommendations

1. The Chief Information Officer is recommended to approve the waiver of Contract Procedure Rules 9.1 and 9.2 in respect of the supply of specialist ICT resource until 31st March 2015 or until a new contract is awarded.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to waive Contract Procedure Rules 9.1 and 9.2 in respect of the supply of ICT resource until 31st March 2015, or until a new contract can be awarded for the recruitment of specialist ICT resource.

2 Background information

- 2.1 Leeds City Council ICT Services has operated a framework agreement for the supply of specialist temporary ICT resource since 2001.

- 2.2 In April 2010 the council signed up to the Comensura agreement for the supply of temporary staff in the following areas:-

- Office and Administration
- Finance and Accountancy
- Housing Management
- Industrial (eg drivers, labourers, refuse collectors, cleaners, store assistants)
- Catering
- Building Trades
- Technical (eg architects, surveyors, engineers)

It was agreed that ICT would move across to Comensura at a later date.

- 2.3 In June 2012, ICT implemented Comensura. This involved the attempt to transfer agencies from the former framework to Comensura.

- 2.4 Initially, only two out of the six agencies signed up and when further changes were made to the contract the remaining two agencies also pulled out of the agreement. This was because an agreement could not be made with regards to agency mark-up.

- 2.5 Agencies on the ICT Framework operate to a maximum 15% mark-up. With an average mark-up being 13%. The arrangement via Comensura required agencies to work to 10% and Comensura added an additional 2.5%

- 2.6 A number of requests were sent to Comensura between 2012 and 2013 but only one placement was made. For example, a request was sent to Comensura in December 2012 for a 1st/2nd Line Support technician. Comensura were unable to find candidates with the required skill sets. None of the candidates submitted by Comensura could demonstrate the requirements requested, and 2 of the candidates had held ICT roles for less than 1 year. This request was a standard request for resource with technical skills in Active directory and Exchange 2007/2010.

- 2.7 Therefore, in order to meet resource requirements ICT Services have continued to resource specialist ICT contractors from a number of ad hoc suppliers who have agreed to the terms and conditions set by ICT Services.

3 Main issues

- 3.1 The current arrangement for the resourcing of ICT contractors through Comensura has proved unsuccessful. Comensura have been unable to supply ICT with the skills and resources required.
- 3.2 A number of meetings took place during 2012 / 2013 where the issues were discussed and resolutions could not be found. ICT requires a framework agreement to include dedicated account management with specialist ICT knowledge and a Service Level Agreement which supports a 10 day turn around for cv's, interviews to placements.
- 3.3 As a result of ICT not being able to recruit via the Comensura agreement and using 'ad hoc' suppliers this is showing as 'off contract' spend.
- 3.4 There are a number of delivery options that ICT could utilise to meet its temporary ICT staffing requirements. A review of these different options is taking place.
- 3.5 There is also a requirement for an end to end management and delivery service for specific ad-hoc projects.
- 3.6 ICT will continue to work with HR to reduce the number of contractors within ICT. However, there will always be the need for specialist ad-hoc resource to meet short term demands and also support ICT when working with new technologies to 'bridge the gap' while permanent ICT resource is being up-skilled.
- 3.7 When skilled specialist ICT contractors are not sourced in a timely manner there is a direct impact on delivery of critical council projects.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Consultation has taken place with ICT Senior Management, HR and Procurement to consider the most effective and flexible way ICT can ensure that a comprehensive, effective, efficient and economic service for the supply of temporary ICT resource is provided.

4.1.2 Equality and Diversity / Cohesion and Integration

- 4.1.2.1 Equality and diversity issues have been considered and it is felt that a full Equality Impact Assessment is not required as there will be no adverse impact on any particular group.

4.2 Council policies and City Priorities

- 4.2.1 ICT will ensure that the recruitment of specialist ICT resource is aligned to LCC's recruitment and workforce planning initiatives and budget plans.

4.3 Resources and value for money

- 4.3.1 The council spend in excess of £2m per annum on the use of specialist ICT contractors. ICT contractor staff are generally employed to work on a project or backfill for a member of ICT staff who is working on a project. Funding is provided within project budgets to cover this temporary headcount increase and use of contractors is the most effective way of managing these short/medium term resourcing demands which often require specific technical skills for the duration of the project. Failure to source suitable ICT contractors has a direct impact on delivery of critical council projects affecting front line services.

4.4 Legal Implications, Access to Information and Call In

- 4.4.1 This report represents a key decision and is therefore subject to call in.
- 4.4.2 The supply of Personnel placement and supply services is a Part B service under the Public Contract Regulations 2006 and therefore the full scope of the regulations do not apply.

4.5 Risk Management

- 4.5.1 The supply of ICT resource is monitored by the ICT Service leadership team to ensure it is appropriate for the requirements.
- 4.5.2 The individual appointments and supply agencies will be managed and reviewed on a regular basis by the Senior Business Planning Officer (Resourcing).
- 4.5.3 The provision of temporary ICT Resource will be conducted upon approved Leeds City Council Terms and Conditions.

5 Conclusions

- 5.1 ICT rely on external resource to work on specific projects, or backfill for members of ICT staff, who are working on a project which is capital funded. Funding is provided within project budgets to cover this temporary headcount increase, and use of external temporary resource is the most effective way of managing these short/medium term resourcing demands which often require specific technical skills for the duration of the project.
- 5.2 Failure to source ICT contractors in a timely manner directly affects project delivery on critical council projects.
- 5.3 An effective solution for the provision of temporary ICT Resource is to continue using ad-hoc recruitment agencies until a full procurement of a new specialist ICT resource provider can be completed.

6 Recommendations

- 6.1 The Chief Information Officer is recommended to waive Contract Procedure Rules 9.1 and 9.2 to allow the sourcing of specialist ICT resource through ad-hoc recruitment agencies, until 31st March 2015 or until a new contract is awarded.