

## Agency Contract Extension

Date: 7<sup>th</sup> July 2021

Report of: Chief Officer HR

Report to: Director of Resources

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

### What is this report about?

- This report proposes an extension to the existing agency supply contract for up to 6 months to allow sufficient time to undertake an effective re-procurement and implementation of a new contract.
- This measure is being proposed to ensure LCC can secure a continuous and quality supply of agency workers given both - uncertainty with demand with COVID-19 and associated impacts of capacity to complete a retendering exercise.

### Recommendations

- The Director of Resources is requested to approve the request to extend LCC's agency supply contract with Reed Specialist Recruitment Ltd for up to 6 months from July 2021 to January 2022.

### **Why is the proposal being put forward?**

1. In April 2021, an administrative decision was taken to re-procure an Agency Supply contract, using a YPO framework contract. This was also notified in the Forward Plan with an expected date for letting a new contract set for the end of July.
2. However, in preparing work to specify LCC's needs and an associated evaluation process it is felt that the current time-scale is problematic and presents risks. A number of issues have affected this:
  - 2.1. On-going uncertainty regarding COVID-19. This includes:
    - 2.1.1. further potential varying needs for agency cover should COVID-19 related situations alter
    - 2.1.2. maintaining appropriate levels of continuity with agency workers in critical areas where COVID-19 could significantly impact on safe service delivery e.g. care.
  - 2.2. Linked to this are additional and on-going needs for HR to support work-force issues arising from COVID-19 and other priorities. This impacts on the availability of HR resources with sufficient knowledge to complete work.
  - 2.3. The need to have a more intensive evaluation process than initially expected to differentiate between providers; which will rely upon drawing out information on quality and compliance aspects of service delivery and implementation in a period of uncertainty.
  - 2.4. Allowing sufficient time for an effective contract implementation, bearing all the above in mind.
3. Given these circumstances it is felt that a formal contract extension should be obtained with the current supplier Reed Specialist Recruitment Ltd.

### **What impact will this proposal have?**

4. Proposals will ensure a formal contractual arrangement is in place between LCC and its agency supplier. This will ensure clarity and continuity in terms of business and ensure re-tendering and implementation processes for a new contract are robust and effectively resourced. Should demand vary due to any unforeseen needs, LCC will be able to rely on an established supply arrangement.

### **What consultation and engagement has taken place?**

5. Stakeholders who have already been briefed on the overall re-procurement exercise and have now been updated on the need for a contract extension. This includes the Director of Resources and Executive Board portfolio holder.

### **What are the resource implications?**

6. This proposal is likely to be cost neutral. During the period of the contract extension the demand for agency workers will be on-going. Normal expenditure is likely to be incurred, subject to any fluctuations in demand affected by unforeseen circumstances.

### **What are the legal implications?**

7. Procurement Legal (Procurement and Commercial Services) have advised that this measure is a proportionate and effective means of ensuring the interests of LCC are covered. A decision to vary the contract can be justified under CPR Regulation 72 (1) (c) of the Public Contract Regulations 2015 whereby all of the following conditions must be fulfilled:
- the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
  - the modification does not alter the overall nature of the contract;
  - any increase in price does not exceed 50% of the value of the original contract or framework agreement
8. The variation would represent an estimated contract value of £2.3m for the period 25th July 2021 to 25th December 2021. The current contract was estimated as being £11m over its two year duration. Apart from varying the end date of the contract no other terms and conditions would be affected.

### **What are the key risks and how are they being managed?**

9. Risks are limited in terms of taking this decision and any challenges being made by other agency suppliers. Specifically, suppliers who are in the YPO framework have not been invited to tender at this stage so are not affected by the change in the timescale.
10. It is felt however a far greater risk is being “out of contract” or unduly disrupting supply arrangements during a period of uncertainty regarding our needs for a contingent workforce.

### **Does this proposal support the council’s 3 Key Pillars?**

Inclusive Growth

Health and Wellbeing

Climate Emergency

11. This proposal is largely of an administrative nature.

### **Options, timescales and measuring success**

What other options were considered?

12. The alternative options are to retender the contract with potentially insufficient time for bidders to prepare submissions and/or being out of contract when services are implemented. Given uncertainty regarding the demand for contingent workers and concerns about how this may be affected by COVID-19 such an option present risks.

How will success be measured?

13. There are no specific plans to measure the impact of changing the contract terms and conditions and normal contract management and monitoring processes will continue to apply.

What is the timetable for implementation?

14. Implementation would take place following normal arrangements for taking a key decision - with notification of this decision being given in the Forward Plan in June 2021.

Appendices

NA

Background papers

NA