

**Date issued: 7 April 2021**

**Item: GLA Collaborative Recruitment Services Framework**

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**This paper will be published once the decision has been made.**

## **1 Summary**

- 1.1 The purpose of this paper is to request the Procurement Authority required for TfL to enter into a framework agreement with a single supplier to deliver contingent labour and permanent recruitment services to enable TfL to fulfil statutory duties and ensure a safe, reliable and resilient service is provided to customers across London and to request additional authority for the current contract, which needs to be extended briefly.
- 1.2 A paper was noted by the Committee at its meeting on 10 March 2021 on the proposed award of the Greater London Authority (GLA) Collaborative Recruitment Services contract. It was not possible to present final papers for approval to that meeting as the evaluation of the bids was still ongoing and the output of that evaluation was required to support the request for Procurement Authority.
- 1.3 Three points were raised by Committee members on 10 March regarding the mitigation of delays with the collaborative service, the authenticity of savings across the collaborative service and rate control. All three points have been addressed.
- 1.4 The use of Chair's Action is considered appropriate as a decision to enter into the contract is required in mid-April and the date of the next meeting of the Committee is 23 June 2021. This decision is critical to secure a required four-month mobilisation period which will ensure supplier readiness to properly commence the service from 31 August 2021.
- 1.5 The appendix to this paper contains supplementary information that is exempt from publication. The information is exempt by virtue of paragraphs 3 and 5 of Schedule 12A of the Local Government Act 1972 in that it contains information that is commercially sensitive and legally privileged.
- 1.6 The members of the Committee are asked to consider the proposal and provide Ron Kalifa OBE, as Chair, with their views on or before 9 April 2021. The contents of this paper and the exercise of Chair's Action will be reported to the next meeting of the Committee.

## **2 Recommendations**

2.1 **The Chair of the Committee, in consultation with available members, is asked to note the paper and the exempt supplementary information in the appendix and:**

**(a) approve Procurement Authority of the amount set out in the exempt appendix to enable TfL to enter into the GLA Collaborative Recruitment Services framework agreement and the related call-off contracts for the provision of contingent labour permanent recruitment services with the winning supplier identified in the exempt appendix;**

**(b) approve additional Procurement Authority of the amount set out in the exempt appendix in relation to the current call-off contract with the incumbent supplier, Hays Specialist Recruitment Services Limited which needs to be extended to 31 August 2021; and**

**(c) note that the proposed GLA Collaborative Recruitment Services framework agreement and the related call-off contracts include commitments that extend beyond the period of the Business Plan and Budget approved by the Board on 16 March 2021 and provision will, therefore, need to be made for those commitments in future Business Plans and Budgets.**

## **3 Background**

3.1 The following contracts are currently in place to deliver recruitment and temporary labour service across TfL, GLA, LLDC, OPDC, MOPAC and LFB (the 'GLA Group') and the Metropolitan Police Service:

(a) Master Vendor provision, currently with Hays Specialist Recruitment Services to source, manage and undertake the payroll services for temporary workers for TfL, London Fire Brigade, GLA, OPDC, LLDC;

(b) a preferred supplier list of four engineering suppliers Morson, Rullion, Gattaca Matchtech and Rullion for TfL Engineering and TfL Asset Operations; and

(c) a Managed Service Provider (MSP), currently with Reed Specialist Recruitment Services Limited for the Metropolitan Police Service and MOPAC.

3.2 These existing contracts all expire this year.

3.3 TfL requires contingent labour to supplement its employees where specialist skills are required to deliver critical business operations and projects for fixed periods of time.

3.4 Following two recent spending reviews, TfL has reduced the use of contingent labour by 2,320 workers from 3,200 in December 2015 to 880 in January 2020.

3.5 Numbers have fallen further during the coronavirus pandemic following further spending reviews. Contingent labour represents just three per cent of TfL's total

workforce in January 2021. A new flexible delivery model is now needed to deliver critical, specialist and project workers at the future volumes required.

- 3.6 This new framework agreement now proposed to be put in place predominantly covers contingent labour with a permanent recruitment solution to source employees where required.
- 3.7 A MSP model is the chosen and industry standard approach and provides a single point of contact for contingent workforce management including payroll, day-to-day workforce management and delivers a range of qualitative as well as financial benefits. The framework agreement also introduces new robust financial penalties for non-adherence to Key Performance Indicators by the supplier.
- 3.8 Rail, track, maintenance and signalling areas require specialist second tier rail providers to meet delivery targets. Suppliers with proven rail delivery experience will partner with the single contracted MSP and provide direct local and onsite support to business managers.

## **4 Procurement Summary**

### **GLA-wide Collaborative Contract Approach**

- 4.1 Since 2015, the GLA Group has undertaken to procure goods and services collaboratively, to deliver better value for Londoners. This is led by the GLA Group Collaborative Procurement Team hosted by TfL. The team manages the common and low complexity procurement expenditure of indirect categories (i.e. goods and services purchased for internal use) including recruitment for the GLA and its functional bodies.
- 4.2 The contract notice for recruitment services was published in the Official Journal of the European Union on 12 August 2020. Twenty-four tenderers submitted their Standard Selection Questionnaires (SSQ) which was evaluated by officers across the GLA Group. Following SSQ evaluation, seven tenderers were shortlisted to the next stage of the procurement process.
- 4.3 Three tenderers withdrew from the process and four tenderers submitted responses to the published procurement documentation.
- 4.4 The tenders were evaluated in accordance with the published methodology in the invitation to tender documentations.
- 4.5 The proposed Framework Agreement will be awarded for an initial period of three years with the option for TfL to extend for a further year.
- 4.6 TfL will enter into their own Service Specific Agreement with the service provider which will then allow them to call off for individual roles.
- 4.7 The new service will commence on 31 August 2021. Short extensions to the current arrangements for the provision of temporary workers are being proposed to allow for a reasonable period of implementation, providing TfL with continuity of staffing services until the new service commences.

## **Coronavirus Pandemic Implications**

- 4.8 Due to the coronavirus pandemic, TfL currently requires a lower number of temporary workers, however, during the lifetime of the contract this may change. To mitigate any risks for TfL, the framework agreement does not commit TfL to any minimum spend or financial commitment.

## **Mobilisation and Contract Readiness**

- 4.9 Implementation and mobilisation will take place over a four-month period, between 3 May and 30 August 2021. The GLA Group Collaboration Board oversees collaborative working projects across the GLA Group and the Metropolitan Police Service. The GLA Group Collaborative Procurement Board oversees the commercial procurement activity across the GLA Group and the Metropolitan Police Services. Both Boards will direct the involvement of each member of the GLA Group and the Metropolitan Police Service in a Recruitment Services Working Group Project Team.
- 4.10 In parallel, an operational project team, led by subject matter experts within TfL's Non Permanent Labour (NPL) Team, with a project manager from TfL's Technology and Data team, will lead the implementation and mobilisation of the contract with the winning tenderer and ensure existing contingent workers (Non Permanent Labour, NPL workers) will be transferred to new contracts.

## **Key Milestones**

- 4.11 The programme for approval of Procurement Authority for the Collaborative Recruitment Services Contract anticipates a decision based on approval of the proposals set out in this paper, enabling commencement of the standstill period from 9 April 2021 with award of the Collaborative Services Recruitment Contract from 26 April 2021, with the new service to commence on 31 August 2021.
- 4.12 The complexity of this procurement process, working across the GLA group, combined with the importance of an orderly exit, means that the current contract with Hays Specialist Recruitment Services Limited has been required to remain in place for longer than anticipated and needs to be extended to 31 August 2021. Additional Procurement Authority is requested to cover the period since January 2021 for the remainder of that contract. Delays in the procurement process due to additional clarifications with suppliers has resulted in existing Procurement Authority levels being reached before the new service has commenced.

## **5 Financial Implications**

- 5.1 Financial Authority has been granted in the Budget approved by the Board on 16 March 2021 for spend related to contingent labour services. For future contingent labour requirements occurring beyond the 2022 Budget, provisions will need to be made in the subsequent Business Plans and Budgets.

### **List of appendices to this report:**

An appendix that contains supplemental information that is exempt from publication.

**List of Background Papers:**

None

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