

**SURREY COUNTY COUNCIL****CABINET MEMBER FOR BUSINESS SERVICES AND  
RESIDENT EXPERIENCE****DATE: 13 DECEMBER 2016****REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS  
SERVICES AND RESIDENT EXPERIENCE****LEAD OFFICER: JOHN STEBBINGS, CHIEF PROPERTY OFFICER****SUBJECT: AWARD OF CONTRACT FOR THE PROVISION OF  
RECRUITMENT ADVERTISING SERVICES****SUMMARY OF ISSUE:**

This report seeks approval for the Council to award a contract to Havas People for the provision of Recruitment Advertising Services to commence on 9 January 2017 as the current arrangement expires on 8 January 2017.

This report outlines the procurement process, including the results of the evaluation process. When considered in conjunction with the Part 2 report, it demonstrates why the recommended contract award will help to improve the arrangements for the purchase of recruitment, advertising, marketing, and communication services in order to better attract potential employees.

The procurement exercise has been undertaken with a group of organisations, East Sussex County Council, Brighton & Hove City Council, Surrey Police and Sussex Police. This will facilitate future collaborative recruitment initiatives should it be required to support Council objectives.

This Cabinet Member paper only concerns the award of the Surrey County Council contract as all other partner organisations will be subject to their own governance procedures.

Due to the commercial sensitivity involved in the contract award process, the names of the bidders and their financial details have been circulated as a Part 2 report.

**RECOMMENDATIONS:**

It is recommended that the Cabinet Member for Business Services and Resident Experience:

- i. approve the award of a call off contract to Havas People for the provision of Recruitment Advertising for two years from 9 January 2017 with an option to extend for two periods of one year.
- ii. note that over the full term of the contract the anticipated value over four years, is £0.8m (approximately £0.2m per annum).

<b>REASON FOR RECOMMENDATIONS:</b>
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1. The Council has had contracts with its incumbent supplier for approximately eight years. Following its expiry in 2015 the Council joined the Brighton and Hove City Council framework for Recruitment Advertising, Marketing and Communications Services. The current contract is due to expire on 8 January 2017.
2. A working group consisting of representatives from Surrey County Council, East Sussex County Council, Brighton & Hove City Council, Surrey Police and Sussex Police considered a number of procurement options. It was decided to undertake a mini-competition through the Eastern Shires Purchasing Organisation Advertising Solutions framework agreement (reference: 3A).
3. The mini-competition was run by Brighton & Hove City Council, in compliance with the requirements of the Public Contracts Regulations 2015. The conduct of the procurement was compliant with the Council's Procurement Standing Orders.
4. A thorough evaluation process has identified awarding the contract to Havas People will provide the Council with the best value for money.

<b>DETAILS:</b>
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#### **Business Case**

5. The Council has an ongoing requirement to recruit permanent staff to vacancies throughout the organisation. In order to do this effectively, the recruitment team utilises a variety of means, including the advertising of employment opportunities across a number of mainstream media outlets e.g. LinkedIn, Guardian and Jobs go Public.
6. To deliver the best service there are times when the Council's Recruitment and Resourcing Team need to commission an external specialist supplier to assist with the recruitment, advertising, marketing, and communication services. This may include local recruitment campaigns such as radio advertisements or video footage of heads of service.
7. The Council has previously spent approximately £0.5m to £0.7m per annum on recruitment advertising services. The Recruitment and Resourcing team are planning to undertake more work internally and utilise the new contract where they need specialist expertise for a particular recruitment. Therefore, the new contract spend is anticipated to be £0.2m per annum. There will also be spend with other specialist suppliers including social media, recruitment agency costs and specialist marketing agencies. Any reductions will contribute to Medium Term Financial Plan savings.
8. The proposed spend of £0.2m will enable the Council's Recruitment and Resourcing team to deliver a cost effective and efficient recruitment service to Surrey County Council.
9. There are potential non-cashable savings of time and resource capacity efficiencies from utilising a supplier with their own infrastructure to meet

advertising needs – it would enable establishment of streamlined transactional processes for business as usual. Non-cashable savings are those that create additional capacity, quality improvements for no additional financial investment, or deliver ‘more for the same’.

10. The working group consisting of key representatives from Surrey County Council, East Sussex County Council, Brighton & Hove City Council, Surrey Police and Sussex Police identified that undertaking a joint procurement exercise would facilitate this and realise immediate economies of scale.

## **Background and Options**

11. In 2015, the Council joined the Brighton & Hove City Council framework for Recruitment Advertising, Marketing and Communications Services to align contract expiry with the other working group members. The new provision will consolidate the requirements of the full working group in accordance with their local and national objectives to deliver value for money, quality and consistency across all areas of recruitment advertising.
12. Several options were considered in the Strategic Sourcing Plan and were presented at the Sourcing Governance Meeting on 19 July 2016 prior to commencing the procurement activity.
13. After a full and detailed options analysis, a mini-competition through the Eastern Shires Purchasing Organisation Advertising Solutions Framework Agreement was deemed most appropriate and selected because:
  - i. The Human Resource representatives in Surrey County Council, East Sussex County Council and Brighton & Hove City Council provided input into the specification for the Eastern Shires Purchasing Organisation tender in early 2016;
  - ii. There was an option to conduct a direct award process under the Eastern Shires Purchasing Organisation framework (reference: 3A), which would have been quicker and more straight forward, however, a mini-competition offered greater scope for the new service to be tailored to Surrey County Council’s specific requirements;
  - iii. It would facilitate the opportunity to collaborate with the other organisations in the working group and in formulating a joint specification for recruitment advertising we could align our requirements thereby facilitating uniformity and collaborative working.

## **Tender Process**

14. Brighton & Hove City Council conducted a mini-competition tender process inviting all suppliers from the Eastern Shires Purchasing Organisation Advertising Solutions framework agreement (reference: 3A) to provide responses to the mini-competition document published on 27 July 2016.
15. Six suppliers were invited to bid for the mini-competition. Out of which, four suppliers submitted responses to the Invitation to Tender. These tenders were then evaluated against the following criteria and weightings, the results and suppliers are listed in Part 2. The evaluation was based on 60% price and 40% quality.

16. The quality evaluation was scored on eight main categories; Implementation; Account Management; Management Information & Metrics; Digital, Social Media and Creative Capability; Media Buying, Advice and Advert Placement; Value for Money Services; Social Value; and Presentations.

**CONSULTATION:**

17. A procurement and project team was set up to include representatives from Human Resources and Procurement for each authority. The tender responses were reviewed by a wider range of stakeholders within the organisations to ensure their requirements would be met.

18. A Strategic Sourcing Plan was drafted to obtain authority from the Sourcing Governance Meeting on 19 July 2016 prior to commencement of the procurement activity.

**RISK MANAGEMENT AND IMPLICATIONS:**

19. The following key risks associated with the framework have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Financial	Risk of off contract spend.	Communication of new contract to be published to Council staff and Buying Solutions informed to capture any orders going to other suppliers.
Contract Compliance	Following implementation, it becomes apparent successful bidder does not have necessary skills, experience and technical knowledge to satisfactorily complete all elements of the contract.	Tender process included 40% quality element towards overall award criteria, including responses to technical questions, social value and supplier presentations, supplemented by clarification questions. Remedies are available under the framework and call-off terms and conditions.
Meeting Requirements	Issuing a contract which is not fit for purpose for internal customers or external suppliers.	The award of a new Recruitment Advertising Services contract to an experienced supplier following two thorough procurement exercises (the tender for the framework and the mini-competition for the contract). Regular supplier performance meetings to ensure adherence to requirements and agreed recovery actions if required.

20. The call off terms and conditions include various termination clauses including a termination without cause clause which will allow the Council to terminate the call off contract for any reason should priorities/requirements change.

21. Three of four bidders provided complete and compliant Invitation to Tender submissions and passed the mandatory and optional exclusion questions including financial checks. One supplier failed as they did not provide responses to a number of questions.

#### **Financial and Value for Money Implications**

22. Full details of the contract value and financial implications are set out in the Part 2 report. The total contract value over the maximum four year duration is anticipated to be £0.8m (approximately £0.2m per annum).
23. The format of the Price Schedule in the mini-competition was governed by the Price Schedule format in the Eastern Shires Purchasing Organisation framework (reference: 3A) tender documents which was very different to the previous contract pricing e.g. pricing for TV campaigns cannot be directly/easily compared between the previous contract price schedule and tendered pricing. Therefore, the contract will be reviewed after six months to measure the savings delivered. Any savings will be reflected in the Medium Term Financial Plan.
24. The call-off contract will set out clear performance objectives and key performance indicators stating reporting requirements and the service levels to be delivered under the contract along with benchmarking/market testing to be conducted by the Council/supplier.

#### **Section 151 Officer Commentary**

25. The County Council is facing a very serious financial situation, whereby it is forecasting a significant revenue budget overspending in this year, and does not have a balanced nor sustainable budget plan for future years. This planned expenditure has been included within the current Medium Term Financial Plan. Services are expected to have in place appropriate controls to ensure that all recruitment undertaken is necessary within this financial context.

#### **Legal Implications – Monitoring Officer**

26. The procurement was done under the Public Contracts Regulations 2006. The Framework Agreement owner is Brighton and Hove District Council. This means that Surrey County Council is deemed to have complied with the procurement process provided that Brighton and Hove did when procuring the Framework Agreement.
27. The evaluation process was carried out in accord with the Public Contracts Regulations. More detail about the process is in the Part 2 Exempt Information Report.

#### **Equalities and Diversity**

28. There is no requirement for an Equality Impact Assessment (EIA) as there are no implications for any public sector equalities duty due to the nature of the services being procured. However, all suppliers are required to comply with the Equalities Act 2010 and any relevant codes issued by the Equality and Human Rights Commission. In addition, the successful bidder was required to

agree to the Framework Terms and Conditions which included provisions for the Equalities Act 2010 in order to deliver services which would help the Council meet its statutory duties. The successful bidder accepted the terms and conditions.

**WHAT HAPPENS NEXT:**

29. The timetable for implementation is as follows:

<b>Action</b>	<b>Date</b>
Sourcing Governance Meeting decision to award	8 November 2016
Cabinet Member decision to award (including 'call in' period)	13 December 2016
Contract Signature	19 December 2016
Contract Commencement Date	9 January 2017

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**Contact Officer:**

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