



8.4

**RENEWAL OF CONTRACT WITH
PROCUREMENT AUSTRALIA FOR THE
PROVISION OF RECRUITMENT, TRAINING
AND ASSOCIATED SERVICES**

LOCATION/ADDRESS:

WHOLE OF MUNICIPALITY

GENERAL MANAGER:

**CHRIS CARROLL, ORGANISATIONAL
PERFORMANCE**

PREPARED BY:

ANDREW MCFARLAND, HR COORDINATOR

TRIM FILE NO:

58/04/156

ATTACHMENTS:

1. List of Panel Providers

PROPOSAL

This report recommends to Council that the City of Port Phillip renews our contract with Procurement Australia for the provision of recruitment, training and associated services.

1. RECOMMENDATION

That Council:

- 1.1 Endorses the renewal of Port Phillip City Council's contract with Procurement Australia (1912/0618) for the period 1 January 2017 to 31 December 2018 including the option to extend to 2021.
- 1.2 Notes that the estimated contract expenditure across the panel is \$6M pa or \$30M over the five year contract.
- 1.3 Authorises the Chief Executive Officer to undertake all necessary actions to give effect to Council's decision with respect to the suppliers and Procurement Australia's Contract No 1912/0618 including executing and affixing Council's common seal to all documents as required.

2. BACKGROUND AND CONTEXT

2.1 Background

Procurement Australia are tendering agents for a wide range of public authorities across Australia, including Local Government, Not for Profit Organisations, Tertiary Education Institutions and Water Authorities.

2.1.1 The City of Port Phillip has been a signatory to the Procurement Australia contract for the provision of recruitment, training and associated services in previous years. This contract has served the City of Port Phillip well, providing us with access to a wide range of preferred providers of recruitment and related services at highly competitive rates.



- 2.1.2 Procurement Australia recently completed a new tender process for the provision of recruitment, training and associated services. This national public tender process was extensive, resulting in ninety-one companies submitting tenders for consideration, with seventy-five being successful. The economies of scale and benefits to the public sector for such a large tender are considerable. The tender contract they have negotiated is for 1 January 2017 to 31 December 2018, with two (2) and one (1) year options to extend.
- 2.1.3 The Culture and Capability Department has undertaken a high level review of the Procurement Australia tender and contract documentation including the adopted process and rates. The Department is satisfied that the providers are of a high standard and that the rates are appropriate. From the list of 75 companies, 18 organisations have been identified as preferred providers for temporary recruitment services (Category 3), which is the main category which will be utilised by CoPP. These organisations are highlighted in the Attachment.
- 2.1.4. Agreeing to renew our relationship with Procurement Australia does not commit the City of Port Phillip to an exclusive arrangement with Procurement Australia or the successful tendering companies, nor does it prevent the City of Port Phillip from reviewing this arrangement at a future date and pursuing its own tendering arrangements.

2.2 Tender

Procurement Australia advertised the tender for the provision of recruitment, training and associated services in the Sydney Morning Herald and the Adelaide Advertiser on Tuesday 12 April 2016, the Herald Sun on Wednesday 13 April 2016 and the Hobart Mercury on Saturday 16 April, 2016. Prior to this, Procurement Australia advertised and carried out three industry briefing sessions. The tender closed on Monday 16 May 2016 and a total of 91 tenders were received. The proposed contract term was 2 years with a further option of 2 plus 1 year extensions.

2.3 Assessment Categories

The tender covered 12 separate categories of services as follows:

- Category 1: Permanent Recruitment – Executive
- Category 2: Permanent Recruitment – Entry/Middle/Senior Level Staff
- Category 3: Temporary Recruitment
- Category 4: Training, Learning and Professional Development Services
- Category 5: e-Learning and Training Solutions
- Category 6: Mentoring and Coaching
- Category 7: Career Transitions Programs and Human Resources Services
- Category 8: Psychometric Testing and Skills Assessments
- Category 9: Unbundled Recruitment Services
- Category 10: Employee Satisfaction and Organisational Survey Services
- Category 11: Performance Appraisal Management Services



- Category 12: Police and Background Check/Fit to Work Solutions.
with Category 3 – Temporary Recruitment being the Category of greatest relevance to CoPP.

2.4 **Assessment Methodology**

Procurement Australia conducted a thorough tender assessment process according to the following key criteria:

2.4.1 Compliance with Specification

- a. Compliance with the Submission Requirements.
- b. Compliance and suitability and effectiveness of the Products/Services offered.
- c. Compliance with QA, OHS.
- d. Compliance with the terms and conditions of the tender.
- e. Compliance with the terms and conditions of the contract.

2.4.2 Customer Focus

- a. Marketing Strategies.
- b. Value Added Products/Services.
- c. Customer Satisfaction and Product/Service Initiatives.
- d. Service and Distribution.
- e. Product/Service Diversity.

2.4.3 Contractors Performance

- a. Relevant Expertise and experience.
- b. Responsiveness and reliability of Products/Services.
- c. Resources/Communication.
- d. Referees.
- e. Quality Management and Continuous Improvement.
- f. Contract Management and Reporting.
- g. Past Contract Performance.

2.4.4 Corporate Social Responsibility Profile

- a. Corporate Governance.
- b. Social Impact.
- c. Environmental Impact.
- d. Workplace Practices.

2.4.5 Price (Overall Value Proposition)

- a. Price Competitiveness.
- b. Pricing Structure Transparency.
- c. Pricing basis/variation of the tender.
- d. Quality/Value Discount Structures.
- e. Payment Terms.

- 2.5 The Culture and Capability Department has also reviewed the Procurement Australia contract, tender process and the list of providers and believes that the contract continues to represent good value for money.



3. CONSULTATION AND STAKEHOLDERS

The key internal stakeholders who have been engaged with in relation to this matter are:

- General Manager, Organisational Performance
- Chief Financial Officer
- Manager, Culture and Capability
- Coordinator, Contracts, Procurement and Fleet

Feedback from internal clients within the City of Port Phillip who are regular users of recruitment services, particularly temporary recruitment services, has also been taken into consideration.

4. OPTIONS

- 4.1 The preferred option is for Council to endorse the renewal of the contract named in item 1.1 and access their services via PA Contract 1912/0618.
- 4.2 Council could elect to set aside this recommendation and commence its own separate tender process. This would be a lengthy and resource intensive process with a very low likelihood of delivering a cheaper, lower priced or higher quality outcome.

5. ALIGNMENT TO COUNCIL PLAN

- 5.1 Renewing our contract with Procurement Australia as proposed is aligned with the Council Plan 2013-17:
 - 1.5 Achieve a reputation for organisational and service excellence

6. POLICY IMPLICATIONS

- 6.1 The review of the Procurement Australia tender process and review of the contract is consistent with the provisions of Council's Contracts and Procurement Policy.

7. FINANCE / RESOURCE IMPLICATIONS

- 7.1 The budget for the use of Recruitment Services over the initial two year term of the proposed Procurement Australia contract is approximately \$12M.
- 7.2 Entering into the contract does not imply a guarantee of any minimum expenditure with any provider.
- 7.3 The proposed panel of providers for recruitment, training and associated services, particularly temporary employment, provides the best value for Council, as well as offering a degree of flexibility for Council.

8. LEGAL & RISK IMPLICATIONS

- 8.1 The main risk for Council in not adopting the Procurement Australia contract is the potential of not complying with the procurement provisions of the Local Government Act 1989 ("the Act"). Adopting the Procurement Australia contract and its panel of preferred providers helps mitigate this risk.



9. IMPLEMENTATION STRATEGY

9.1 TIMELINE

9.1.1 The proposed panel of suppliers are all able to commence services immediately.

9.2 COMMUNICATION

9.2.1 The Contracts and Procurement Unit will notify Procurement Australia of Council's decision with respect to Contract No 1912/0618 and its list of preferred suppliers.

10. OFFICER DIRECT OR INDIRECT INTEREST

10.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.