

Item 6.**Exemption from Tender – Provision of Short-Term Staff Through Agencies****File No: S118310****Summary**

Short-term staff are engaged by the City to backfill leave and other temporary vacancies, to staff specific projects and to provide expertise for capital projects. The City engages short-term labour at fixed rates from a panel of 39 agencies across 10 occupational groups.

The agency panel was procured by tender in 2012. The contracts for the supply of temporary labour were made in 2013 for a period of three years, plus two one-year options, each of which were exercised. The last one-year option finished on 31 March 2018.

Council approved an exemption from tender to continue the supply of temporary labour to the City while a review of new methods of procuring temporary staff and a tender process were completed, firstly in March 2018 (until December 2018), and again in December 2018 (until March 2019).

Council approved the successful tenderer for the acquisition and management of contingent labour, Comensura, in December 2018. Comensura has been appointed and has indicated that implementation of the new operating model is likely to take approximately five months, necessitating a further extension of the current agency panel.

This report seeks approval for an exemption from tender for the extension of the existing short-term labour panel for the period between the existing agreements expiring and the replacement temporary labour arrangement being ready for use. The exemption would allow existing agency contracts to continue to maintain service and business continuity before transitioning to the new provider.

Recommendation

It is resolved that:

- (A) Council approve an exemption from tender for the extension of the existing short-term labour agency panel for a period of three months;
- (B) Council note that the reason an exemption from tender has been sought is to allow for the implementation of the new temporary labour supply arrangements; and
- (C) authority be delegated to the Chief Executive Officer to execute and administer the variation of the contracts with the 39 agencies for the purpose of continuing the supply of temporary labour for a period of three months to 30 June 2019.

Attachments

Nil.

Background

1. In March 2012, a request for tender was issued for the supply of short-term labour to the City of Sydney. On 12 November 2012, Council approved the establishment of a short-term labour agency panel for a three-year period with two 12-month options. Agreements were subsequently made with 39 agencies that responded to the request for tender for the supply of temporary labour.
2. Short-term staff are engaged by the City when additional resources are required to meet peak demands and cover absences, including maternity leave and sick leave. The City engages short-term labour at fixed rates from a panel of 39 agencies across 10 occupational groups.
3. The short-term labour agency panel agreements commenced 1 April 2013, for a period of three years. The two 12-month options were exercised. The last option expired on 31 March 2018.
4. Exemptions from tender to extend the panel were approved by Council in March 2018 and December 2018 to allow sufficient time for the tender process to take place. The Tender - Managed Supplier for Acquisition and Management of Contingent Labour - was approved by Council in December 2018.
5. The City has now appointed Comensura to manage temporary labour hire for the City. Comensura have indicated that the implementation of the new operating model will take approximately five months.

Key Implications

Organisational Impact

6. The extension of the current short-term labour agency panel agreements will allow hiring managers to continue to access temporary labour, and maintain existing temporary labour arrangements.

Financial Implications

7. There are sufficient funds allocated within the current year's operating and capital works budgets and future years' forward estimates.
8. The annual expenditure on temporary labour utilised in delivering the City's operations and services and the capital works program is approximately \$20 million.

Relevant Legislation

9. Local Government Act 1993.
10. Local Government (General) Regulation 2005.
11. The City's Contracts Policies.

Critical Dates / Time Frames

Initial implementation discussions	January 2019
Current extension of tender expires	31 March 2019
Expected implementation date for replacement temporary labour arrangements	June 2019

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