

**Board**

**Date: 1 July 2015**

**Item: JNP Agency Workers Agreement**

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**This paper will be considered in public**

**1 Summary**

- 1.1 The purpose of this paper is to seek an extension to the existing framework contract with Fusion People Limited for the provision of both permanent and non permanent labour by 12 months to 30 September 2016 together with an associated increase in Procurement Authority.
- 1.2 On 17 June 2015, the Finance and Policy Committee endorsed the recommendations in this paper.
- 1.3 A paper is included on Part 2 of the agenda, which contains exempt supplemental information. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL. Any discussion of that information must take place after the press and public have been excluded from this meeting.

**2 Recommendations**

- 2.1 **The Board is asked to note the paper and supplementary information on Part 2 of the agenda and:**
- (a) **approve an extension to the framework contract with Fusion People Limited for the supply of agency staff to reflect a contract extension of up to 12 months to 30 September 2016 (the Extension) and to grant additional Procurement Authority for the amount set out in the paper included on the Part 2 agenda; and**
  - (b) **authorise the TfL Officers and the Subsidiaries (as described in paragraph 2.2 below) to finalise the terms of the Extension;**
  - (c) **authorise the agreement and execution (whether by deed or otherwise on behalf of TfL or any Subsidiary (as appropriate)) any documentation to be entered into in connection with the completion and implementation of the Extension and any of the matters referred to in it (including, without limitation, all agreements, deeds, guarantees, indemnities, announcements, notices, contracts, certificates, letters or other documents);**
  - (d) **authorise TfL Officers and Subsidiaries to do all such other things as they consider necessary or desirable to facilitate the execution and implementation of the Extension and the matters referred to in it;**

## **2.2 The following Officers and Subsidiaries shall have delegated authority:**

- (a) TfL Officers: the Commissioner, Managing Director Finance, Managing Director Rail and Underground, General Counsel, Chief Finance; Commercial Director, Rail and Underground and**
- (b) Subsidiaries: Subsidiaries of TfL including Transport Trading Limited and any other subsidiary (whether existing presently or to be formed) of Transport Trading Limited and any of the directors of the relevant company shall be authorised to act for and on behalf of that company.**

## **3 Background**

- 3.1 The existing framework contract with Fusion People was entered into by Tube Lines in May 2012 and covered all of the permanent and non permanent labour requirements for both the Jubilee, Northern and Piccadilly (JNP) lines asset performance and projects businesses.
- 3.2 The previous contract extension to 30 September 2015 was to enable the expiry of the existing contract to tie in with the anticipated commencement date for the new pan-TfL Framework for the provision of permanent and non permanent labour (NPL).
- 3.3 Whilst six of the seven lots associated with the pan-TfL agency workers' contracts were successfully concluded, the Engineering lot (which covers the majority of JNP's requirements) is now being retendered as it was not possible to conclude the contract for this particular lot.
- 3.4 It is now anticipated that the award of the new contract plus a suitable period to effect a transfer to a new service provider will take until the end of May 2016 to complete. It is however felt prudent to add four months' contingency to this programme.

## **4 Options**

- 4.1 The following options were also considered in reaching the recommendation to approve an extension to the existing Procurement Authority and have been rejected for the reasons set out below:
- 4.2 Terminate the existing agreement and utilise the TfL framework of suppliers and in-house management team. The complexity of transferring existing business requirements of this scale into the TfL portfolio of agency services contracts is felt to be too onerous, particularly given that the transfer would be a short-term measure until the pan-TfL agency services contract is awarded and the associated transfers completed in May 2016 and the limited TfL resources available to administer such a transfer.
- 4.3 Retender the services only for JNP. The nature and extent of the service requirements would drive a lead time similar to the pan-TfL tender exercise before contract award. This means that there would be no significant gap between contract award and the award of the pan-TfL agency services contract. It would also confuse the supply chain. Given that the original Invitation to Tender included blue collar and white collar consultancy workers there is unlikely to be any significant reduction in costs from retendering.

## **5 Financial analysis**

- 5.1 As detailed in the paper on the Part 2 agenda, there will not be any significant changes in the numbers of agency staff engaged across the JNP Asset Performance and JNP Projects directorates between now and the end of May 2016, other than the demobilisation of the team engaged to upgrade and configure the JNP asset management system using IBM's Maximo 7.5 software and a reduction in the number of blue collar workers engaged on the Jubilee line fleet following completion of the overhaul.
- 5.2 The current run rates exclude any new and/or emergent requirements for NPL which may arise e.g. in relation to new projects during the period of the proposed extension. It is therefore envisaged that any such requirements will be accommodated within a contingency sum.

### **List of Appendices to this Report**

Exempt supplemental information is included in a paper on Part 2 of the agenda

### **List of Background Papers:**

Finance and Policy Committee paper 17 June 2015

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