

Report of the Head of HR Services

Chief Officer Search and Selection Contract

Summary

1. The purpose of this report is to decide on the award of the corporate contract for Chief Officer Search and Selection, following a full tendering process, as officers' recommendations are not to award the lowest cost supplier.

Background

2. This is the first corporate contract to be awarded for the search and selection of Chief Officers, and would replace the existing practice of obtaining separate quotes for each recruitment exercise carried out.
3. Consultants are used on all Chief Officer appointments, predominantly due to their search and technical assessment expertise. Their active teams of researchers and databases of candidate networks enables them to proactively target the much wider group of candidates who are not proactively seeking work elsewhere. Technical assessments for senior posts require expertise in executive assessment centre design, a skill set not usually found in an HR function, but common in the top search consultancies. This is carried out on a case by case basis, and decided by a member appointments panel.
4. The practice of obtaining separate quotes would have put the Council at risk of breaching the OJEU thresholds, if it had continued, hence the requirement to implement a contract for the search and selection of Chief Officers.
5. The process to date has been followed under Procurement guidance and is for a contract of 2 years with a possible extension of 2 years, subject to satisfactory performance. Included in the contract is an additional termination option if a managing partner or other significant individual left with a significant impact on the contract.
6. Eleven organisations submitted documentation for the pre qualification stage of which 4 were rejected. 7 organisations submitted a full tender,

of which following an initial evaluation weighted equally between commercial and technical criteria, Hays, Gatenby Sanderson and Veredus, were invited to present in front of group leaders.

7. The quality criteria were as follows:
 - General Compliance with Specification (20%)
 - Track Record of Appointment of Chief Officers (17%)
 - Search Credibility (15%)
 - Recruitment Advertising Experience (11%)
 - Knowledge of the Council (12%)
 - Relationship Management (15%)
 - Innovation and Contract Management (10%)
8. The costs for the various services offered were treated equally, although weighted in favour of the Search only costs, the key service which the Council would not have the capability to carry out on its own.
9. Following the final panel evaluation all results were input into the scoring model, the technical (quality) scoring from the initial tender evaluation counting for 40%, the commercial (financial) scoring from the initial tender evaluation counting for 40%, and the panel evaluation counting for 20%. The full evaluation scoring is to be found in the confidential annex.

Consultation

10. The tendering specification was consulted upon by CMT, and three group leaders participated in the final panel evaluation.

Options

Option A

11. Option A is for members to choose the lowest cost supplier from the evaluation, in this case Hays Executive.

Option B

12. Option B is for members to choose the supplier with the best combination of cost and quality from the evaluation, in this case Gatenby Sanderson.

Analysis

13. Hays Executive were significantly cheaper than both Gatenby Sanderson and Veredus, as shown by the commercial evaluation scoring.

14. Under the technical (quality) evaluation, Hays Executive came out as the lowest scoring of the 3 organisations, both in the initial tendering exercise, and also in front of the presentation panel.
15. The technical criteria were carefully designed to ensure that the Council obtained the best possible candidates for Chief Officer posts. Although cost is a consideration, there are no fixed retainer fees, and monies would only be due when the Council decided to use the supplier's services for the appointment of a new Chief Officer. Spend may therefore be nil or only minimal over the course of the contract, depending on the number of Chief Officers to be recruited, and the range of services the Council decided to use for each exercise.
16. The key added value provided by the suppliers are their search systems and the candidate relationship management, essential at this level. Failure to appoint a supplier with the best possible ability to deliver this part of the contract would severely limit the number and calibre of applicants received for high profile Chief Officer roles as well as exposing the Council to the risk of a "poor fit".

Corporate Priorities

17. Successful Chief Officer appointments will enable the delivery of all the Council's priorities.

Implications

Financial

18. There are no immediate financial implications for the Council, as payment is only required per individual search contract, with no fixed retainer. If the Council does not recruit any Chief Officers over the course of the contract, no fee is required. The use of this contract would provide the Council with savings of approximately 20% on each Chief Officer appointment.

Human Resources (HR)

19. The successful appointment of Chief Officers is essential to the delivery of the Council's priorities.

Equalities

20. The use of external consultancies enables the Council to receive quality management information on applicants and potential applicants and will therefore allow us to improve the equalities profile of our Chief Officers.

Legal

21. This tendering exercise was carried out under the part B exemption clauses of the OJEU procurement regulations, and was necessary to avoid the Council being at risk of breaching OJEU thresholds. Procurement advice has been followed throughout the process.

Crime and Disorder

22. There are no crime and disorder implications.

Information Technology

23. There are no information technology implications.

Property

24. There are no property implications.

Risk Management

25. There are no known risks in the award of this contract.

Recommendations

26. Members are asked to approve Option B, the award of the contract to Gatenby Sanderson.

Reason: To award the contract to the highest combined scorer, taking into account commercial and technical considerations.

Contact Details

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Report Approved

Date 21 November 2007

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Report Approved

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Specialist Implications Officer(s)

Procurement Implications

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Wards Affected: *List wards or tick box to indicate all*

For further information please contact the author of the report

Background Papers:None

Annexes:

Annex A: Confidential Commercial Costings and Evaluation Scoring