

## Direct Employment Relationships

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Version Control					
Version	0.8	Release Date	Apr. 2019	Authorized by	Incomplete
<ul style="list-style-type: none"><li>NOTE: This module requires re-assessment after completion of multiple system upgrades, including “Multiple contracts” capability and “Our workers” tools for buyer.</li></ul>					

### SUMMARY

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In uFlexi’s current structure: Seller (worker) belongs to Agency who supplies Seller to Buyer. Contracts, user access to data, and timesheet approvals all presuppose Agency is responsible for Seller, validating their Vettings, determining Controls on their activity and processing their Timesheets.

This set of rules has enormous significance in the US. It determines Agency as “Employer of Record” in the transaction. In a land with minimal public health care, for example, it can make Agency liable for a range of benefit payments.

But many of our US sellers will already be in on-demand-employment relationships with buyers in the market. There will already be employment contracts, with benefits packages, in place. We want those buyers to be able to book their approved sellers on their contracts within uFlexi. When buyers who have an employment relationship with a seller don’t require that person, Sellers’ availability is exposed to other buyers through our normal Agency procedures.

This model is particularly important for public employment agencies; they want to get workers off their books into employer/employee relationships as much as possible. The primary agency is then simply there as a backstop to enable extra hours of work for its customers.

This module creates “Pass-through bookings”. In these transactions:

- Seller’s Agency has permitted Buyer to have a Direct Employment Relationship (DER) with a named Seller.
- The Contract and buyer-specific additional controls on seller activity are determined by Buyer.

- The Seller Owning Agency has no involvement or control over a booking of their Seller by a Buyer who has a DER with that Seller. They can only passively observe the data.
- Timesheet progression through ACCEPTED and PROCESSED statuses is determined by Buyer.
- Any list of sellers for a booking can be a mix of DER sellers and normal sellers. DER options carry an icon.
- Any page about a pass-through booking for any user highlights the Employer in that booking.

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## Examples

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Long Beach Convention Center (LBCC) has 250 housekeepers, deployed around events. These workers are on LBCC's payroll and typically phoned once a month and told when they will be needed in the weeks ahead. That may then change as attendee numbers for events flex. When not required for LBCC, housekeepers scabble for work elsewhere.

We want to put this pool of workers into the City of Long Beach Staffing Agency on uFlexi. That will expose them to a range of buyers, including those belonging to their owning agency's supply partners. But LBCC doesn't want their relationship to existing staff disintermediated. They want to carry on booking with the arrangements they have always used. The public staffing agency is focused on good outcomes for workers rather than profit; it has no desire to supplant existing relationships.

So, LBCC housekeepers need to be offered to the full range of buyers as usual in uFlexi. But when LBCC books one of them, the owning agency is sidestepped to allow a DER (Direct Employment Relationship) booking.

There are variants of this model we also need to accommodate:

- LBCC might wish to be the Owing Agency for its Sellers and allow pass-through bookings to the Staffing Agency's buyers. (That will include the Agency's partner's buyers.)
- A pass-through booking may go Agency-to-Agency. For example: an employment charity working with hard-to-help work-seekers may want to handle their early bookings directly but then allow them to transition progressively into bookings with multiple mainstream agencies that have a wider pool of buyers.

In our terms: A buyer permitted to have DER's is actually an agency with limited scope. (Our 2011 Tescsys iteration of Sotsys accommodated this.)

### WIDER EXAMPLES

This module will create multiple options:

- A seller may never do agency-intermediated bookings. She could just have a portfolio of DER's, constantly being booked between them. Her owning agency could simply be an enabler that vetted her, like a city workforce board or her college.
- An ineffectual or badly behaved agency can be taken over; rebranded and turned into a pass-through entity whose sellers are distributed immediately to the wider market.
- Buyer can reduce overheads by progressively moving temporary workers onto their payroll.

## Rules for this module

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1. This module introduces two types of bookings:
  - Agency-intermediated: the way uFlexi operates now.
  - DER (Direct Employment Relationship), Agency relinquishes control of the booking or buyer/seller relationship.
  
2. Each Buyer and each Seller continues to require a single Owing Agency to be active in uFlexi. If their relationship with the Owing Agency terminates, all other relationships, including DER's, are disabled.
  
3. A Buyer Must be permitted to offer DER's by its Owing Agency.
  - Any Buyer can be converted to a DER buyer regardless of how many bookings they have made. (DER status is *not* decided when the Buyer is created.)
  
4. A Buyer approved to offer DER's is offered a version of Agency's agencySellerContracts page. A contract must be active in this page before this Buyer can offer DERs to sellers.
  - This contract can be updated, as is the case for Agency-to-Seller contracts.
  - A DER contract can specify on-cost charges (flat rate per hour or % of Seller pay). But it can not define a payrate for Seller working for Buyer. That is handled through existing uFlexi mechanisms: fixed-rate roles or dynamic calculations for each booking.
  - Buyer determines functions offered on timesheets and other agency settings as they pertain to Buyer's DER bookings only.
  
5. Once an Agency is set at "Yes" for DER's, DER's can apply across their partnerships. But only to other Agencies who accept DER's.
  - For example: Tesco is a client of Adecco, Adecco is in a re-sell agreement with Reed Recruitment. All three entities have DER's enabled. Tesco is able to offer DER's to Reed temps. But Adecco may also be in a re-sell agreement with Kelly Services who have DER's disabled. Tesco can only book Kelly's temps through an agency-intermediated booking.
  
6. A Seller **must be permitted to view and accept DER's by her Owing Agency.**
  - Seller must accept Buyer's DER contract before a DER relationship is active.
  - One buyer can only have one DER with a seller. Buyer can have DER's with many sellers belonging to many agencies. Seller can have a DER with many buyers belonging to many agencies.
  - Seller can be booked against many roles for a Buyer with a DER.

7. Once a DER is in place between a Buyer and a Seller:

- Buyer acquires agency controls and authorizations over Seller. But these Manage Seller settings apply only to Seller's bookings through the contract by this Buyer.
- Whenever Buyer books Seller, it is a DER booking. There is no option of an agency-intermediated booking between the two parties. This rule applies whatever supply agencies may be involved.
- Buyer can combine booking of DER and agency-intermediated sellers within any purchase.
- A DER can be terminated by Buyer, Seller or the Owning Agency of either. After termination, Buyer can still book Seller as normal, but only in an Agency-intermediated booking.
- Buyer and Owning Agency can see aggregated Seller activity but not individual details of bookings for the other party.

8. In a DER booking:

- The DER status is communicated in any display about the booking.
- The current DER contract is displayed at any point where a contract is offered to users. The DER contract does not define payrate, place of work, etc. That is all handled as now (either a fixed payrate or dynamic application of My Terms data).
- Buyer is responsible for upper levels of timesheet authorization.

Display issues:

- Multiple employers can share a Seller. Each employer is entitled to see total bookings/hours in uFlexi but can only see individual data on bookings for which they were the employer.
  - In other words: Assume Adecco permit Tesco and Asda to have a DER with Roger. Roger does 100 bookings, 40 for Adecco clients, 35 for Tesco and 25 for Asda. Each of those three employers see he has done 100 bookings. But the only ones they can click through for details are the ones he worked for them.
  - This requires two columns in reports: Total bookings/hours and Our bookings/hours. Only the later has clickable cells.
- In our Data Hierarchy: DER status comes before Verifications.
- The icon for DERs is FA-file-signature:



## Processes/Screens

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### a) Ensuring consent for DER's

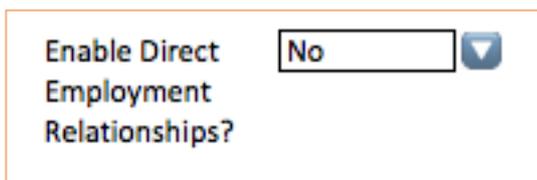
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A DER (Direct Employment Relationship) creates a web of liabilities and obligations. We cannot allow them to be created carelessly. uFlexi must force clear decisions at every step. These permissions cascade; BO permits Agency to offer a DER option, Agency permits each Buyer to operate DERs.

#### **BO permits Agency to offer DERs**

BO needs to be sure Agency understands the consequences of DER's before they are opened to Agency's Buyers or Sellers.

backofficeEditAgency needs a new input. For now, it can go at the bottom of the screen under "Enable Userway". (The screen is due for a revamp shortly.)



Enable Direct Employment Relationships? No

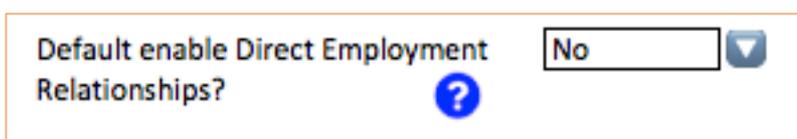
#### Rules for this input:

- The default is No. the only other option is Yes.
- When No is selected, uFlexi behaves for Agency and its downstream users exactly as now. This entire module is concealed from their users, those of their buyers and their sellers.
- If Yes is selected all functionality for this module is enabled for Agency.
- For simplicity: Once this box is set at Yes, it cannot be changed to No.
  - We will change this at a later date with a process for winding down DERs at BO level.

#### **Agency sets default for buyers and sellers**

A public workforce agency may be predicated on DERs. A commercial staffing company may only consent to them under duress. Each is entitled to make their model the default when staff set up a new buyer.

agencyBuyerDefaultsEdit needs a new drop-down:



Default enable Direct Employment Relationships? No

Rules for this input:

- The default is No. the only other option is Yes.
- When No is selected, uFlexi behaves for Agency users and other downstream users exactly as now. This module is concealed.
- If Yes is selected: agencyBuyerCoreDetailsEdit and agencySellerDetailsEdit for this agency for any new Buyer or Seller have a DER box (below) that defaults to the Yes/No input on agencyBuyerDefaultsEdit.
- The selection can be changed at any time.
  - Any changes to this input have no impact on previously set up buyers/sellers. The box simply determines which option loads when a Manage page is loaded for a new Buyer or Seller.
- There is a helptext icon by the box label. Placing should mirror the way we display such icons on other pages for Agency, for example; agencyBrandingEdit. The text in the pop-up reads:

A Direct Employment Relationship (DER) allows our [BUYER]s and [SELLER]s to enter into an agreement for employment in which [NAME OF AGENCY] is not involved. The [BUYER]'s contract will be used for these bookings and the [BUYER] will be responsible for processing timesheets.

If Yes is selected in this box, our screens for managing a new [BUYER] or [SELLER] will allow that customer to offer or accept DERs. [AGENCY NAME] users can change the setting fro any individual [BUYER] or [SELLER].

**Agency permits Buyer to offer DERs**

The default setting above is just a convenience for Agency users. A decision to enable DERs from a buyer has to be forced onto a senior agency user. The place to do this is on agencyBuyerCoreDetailsEdit. Positioning of the new box is in the Controls section above the bottom entry:



The new entry is this:

Enable Direct Employment Relationships? 

No 

Rules for this input:

- The default is as currently set on agencyBuyerDefaultsEdit. Once a user has changed the setting on agencyBuyerCoreDetailsEdit the default setting on agencyBuyerDefaultsEdit is irrelevant. (There is no mechanism for changing user decisions about individual buyers through agencyBuyerDefaultsEdit.)
- When No is selected, uFlexi behaves for the Buyer’s users exactly as now. This module is concealed.
- If Yes is selected: the changes listed in section TBC below take effect for this Buyer.
- The selection can be changed at any time.
  - If the setting is changed from Yes to No:
  - Buyer can no longer make DER bookings, all future bookings will be agency-intermediated even if there was previously a DER in place with that Seller.
  - Timesheet approvals for bookings already made but where the timesheet(s) have not yet reached PROCESSED revert to agency.
  - Buyer’s version of agencySellerContracts disappears from navigation and is inaccessible.
  - Buyer’s Manage Seller screen reverts to the basic version outlined in the “Our Workers” ticket.
  - The reporting functionality enabled for DER buyers remains in place; Buyer can still see which historic bookings involved a DER.
- There is a helptext icon by the box label. Text reads:

A Direct Employment Relationship (DER) is an agreement for employment in which [NAME OF AGENCY] is not involved. The [BUYER]’s contract will be used for these bookings and the [BUYER] will be responsible for processing timesheets.

If Yes is selected in this box, this [BUYER] will be able to offer their own contract to [SELLER]s.

## Minor journeys

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### Terminating a DER

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- a. Agency: on Manage page
  - b. Buyer: on Seller page
  - c. Seller: on My Buyers
- Any termination should have a “explainer text box” akin to withdrawing a seller by agency. That text shown to other parties, including agencies.
  - Seller Tag needs to be cancelled

### **Termination processes:**

- Bookings already made are unaffected. No columns disappear from reports screens.
- No more DER bookings can be made, the same sellers must be booked through an Agency intermediated process. No new offers of a DER can be made.
- All existing counterparties are sent a termination notice.
- PIC: Termination notice.
  
- Termination of a downstream offer reverts the DER for that pair of entities to “Offered”. So, if Agency gives Buyer the ability to offer DERs, Buyer accepts but later rescinds, they see offered status. Likewise, if seller terminates a Der with Buyer, they see that it is offered. It is only if Agency or Buyer terminates a DER with Buyer or Seller respectively that a termination notice is displayed:

## Edgecases

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- Transitioning the Owning Agency. We will be asked to move ownership of a seller from a current agency to one of their DER's (for example if their Agency is about to shutter).

## For discussion

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- Should buyers automatically be limited-scope agencies so each is a latent for DER.