### Report of the Chief Constable to the Chair and Members of the Audit Committee

**21st September 2017**

**Executive & Presenting Officer: Mrs Joanne Gleeson, Chief Finance Officer**

**Status: For Information**

**Contract Standing Order 10 – Exceptional Situations**

**1. Purpose**

1.1 Contract standing orders were revised on 22nd November 2012 following the introduction of the Police & Crime Commissioner. Members will recall that an update of the Contract Standing Orders was agreed at the June 2016 meeting of the Audit Committee. Contract Standing Orders state that “Utilisation of Contract Standing Order 10 or failure to follow contract standing orders shall be reported by the CFO of the CC to the Audit Committee”.

* 1. The purpose of this report is to advise the Audit Committee on the use of Contract Standing Order 10 during the period March 2017 to August 2017.

1. **Recommendations**
   1. It is recommended that the Audit Committee note the exceptional situations detailed in Appendix 1.
2. **Background**
   1. Contract Standing Orders reflect both the policies of the Office of the Police & Crime Commissioner for Cleveland and the requirements of current legislation. Their purpose is to provide help and guidance to all members of staff who are involved in supplier negotiations for the provision of goods and services. They are mandatory and as such must be complied with at all times.
   2. Contract Standing Orders regulate the arrangements and procedures for acquiring goods and services. There is an underlying requirement that where such an acquisition is amenable to competitive tender that this mechanism should be employed. This requirement is modified in practice when competitive tendering is not considered either efficient or practical.

3.3 Furthermore there are classes of goods and services which are not amenable to competitive tendering, examples of these would be property rental, water supply and contributions to national bodies supplying services to police forces either individually or as a “community of interest”.

* 1. Contract Standing Order 10 states that “Exceptional situations are those created by external actions and events over which the Force has no control but has an obligation to respond.”
  2. In compliance with Contract Standing Orders it is the practice to report on a six monthly basis every exceptional circumstance where it appears that the normal requirement to tender has not been followed. The details are listed in Appendix 1.

**4. Implications**

4.1 Finance

All commitments are within existing budgets. There are no financial implications arising from the content of this report.

* 1. Legal

Any requests to utilise Contract Standing Order 10 which involve new supplier terms and conditions are discussed and agreed with Legal Services. There are no legal implications arising from the content of this report.

* 1. Diversity & Equal Opportunities

There are no diversity or equal opportunities implications arising from the content of this report.

* 1. Human Rights Act

There are no Human Rights Act implications arising from the content of this report.

* 1. Sustainability

There are no sustainability implications arising from the content of this report.

* 1. Risk

There are no risk implications arising from the content of this report.

**5. Conclusions**

5.1 The details of the exceptional situations listed in Appendix 1 not only comply with the process detailed in Contract Standing Order 10 but represent the Force’s ongoing commitment to greater efficiency and effectiveness.

Claire Wrightson

Head of Procurement and Fleet

**Exceptional Situation – Proprietary Product**

**1. Annual Maintenance of Audionet for ICT at a cost of £17,602.82 from Weston Digital**

1.1 There has been a contract in place with Weston Digital since 2004 for the provision and support and maintenance of voice recording. The system records all radio transmissions and telephone calls to the control room and is essential to enable copies of recording to be made for evidential purposes. This is required until the new CSH facility and telephony replacement project is in place which will include a new recording system.

* 1. As the system was provided by Weston Digital, the support is proprietary to them.

**2. Purchase of Consultancy Services for Executive at a cost of £23,625 from John Armstrong.**

2.1 As part of the Forces Strategic Plan, the Professional Standards Department (PSD) was scheduled to be reviewed in 2017. The recent misconduct hearing has placed additional focus and emphasis on the manner of the review and has brought forward the timetable for the review to be conducted.

2.2 The review is to be a transformational review of Professional Standards, assisting in drawing up terms of reference, providing mentoring and coaching and provide an independent organisational learning review into the handling of the recent criminal and misconduct investigation.

* 1. John Armstrong is a retired Head of PSD with a national background including significant work for IPCC and HMIC. The skills and experience that John Armstrong brings coupled with the independent approach (no longer a serving Officer) is unique in the market and therefore proprietary.

2.4 John Armstrong has been providing services for 3 months; however the Force wishes to extend the services to aid with the remainder of the review and recruitment of a new Head of Professional Standards.

**3. Annual Support and Maintenance of Pegasus for ICT from ABM at a cost of £13,265.43.**

3.1 Pegasus is a suite of applications which provides electronic workflow for covert policing. The management of covert policing is a requirement under the Regulation of Investigatory Powers Act 2000 (RIPA).

3.2 In order to ensure an operational system has on-going support and maintenance a renewal of this agreement is required.

3.3 ABM is the sole provider of Pegasus and therefore this is proprietary.

**4. Purchase of Services for ICT at a cost of £18,500 from Intergraph.**

4.1 The Force currently deploys four products procured from Helmdart via Intergraph. These include i/Disclosure, i/PNC and i/VET. These systems are supported by Intergraph.

4.2 I Disclosure and i/PNC are no longer supported in their current form of an Oracle database. There is a requirement to decommission the server which hosts these databases and applications, which provides an opportunity to migrate the data to the main Force database environment.

4.3 In order to migrate the databases and applications, the data needs to be transferred from an Oracle database to an MS-SQL database. A service from Intergraph who provides support for these systems is required for migration. As support is wholly provided by Intergraph these are the sole providers of this consultancy.

**5. Renewal of the Online Legal Database for Legal Services from Lexis Nexis at a cost of £22,201.65.**

5.1 Legal Services provide the Force with Legal advice covering a full range of legal disciplines. In order to do this effectively there is a requirement to access a broad spectrum of legal information including legislation, case law and publications.

* 1. There is another provider in the market that can provide access to legal information; however this is not comprehensive and not guaranteed to be up to date.
  2. The on-line database provided by Lexis Nexis is the only database which provides a single source access to all relevant information but is also regularly updated with new case law etc. Therefore this is a proprietary product.
  3. A 12 month extension to the contract rather than a 3 year contract which is usually taken has been requested due to the on-going collaboration review with Durham and North Yorkshire which contracts across all three forces will be consolidated.

**6. Contract for kennelling of Dangerous Dogs by Operations Command at a cost of £138,000 over 3 years.**

6.1 In October 2013 Clevelands current provider for kennelling of dangerous dogs had decided to cease business due to the ill health of the owner.

6.2 On enquiries with local authorities and alternative kennelling facilities it was identified that no-one in the local area was willing to take these dogs.

6.3 Durham Police also used Cleveland previous provider for this service, therefore Durham was apporached to establish whom they had sourced to deliver the service. Discussions took place regarding a collaborative contract being put in place for both Forces, however Durham did not wish to enter into a joint agreement. Following our own negotiations and assessment of the facilities it was identified that the provider Durham had sourced would not meet our needs and an alternative provider was sourced.

6.4 This is proprietary as this is the only suitable kennelling facility in the local area which was willing to take on the dangerous dogs, however it has been agreed that a procurement exercise will be conducted prior to the expiry of the initial 1 year term to test the market and provide assurances of the proprieatry status.

**7. Annual Maintenance and Support of Cyccomms Software by Covert Standards from Geoff Smith Associates at a cost of £18,146.30**

7.1 The Home Office funded collaboration a number of years ago for a regional solutioner for telephone analysis for investigations.

7.2 Support and Maintenance for the application is required to ensure the software is adequatley supported and receives upgrades.

7.3 Maintenance of the software can only be provided by Geoff Smith Associates they are the sole provider of this product therefore it is proprietary.

**8. Provision of Corporate UK Phonebook for ICT at a cost of £11,100 from Siminuix.**

8.1 Cleveland Police have used Corporate UK Phonebook to provide Officers and staff access to addresses and phone numbers via the intranet site for a number of years.

8.2 In an effort to reduce costs the need for this service was reviewed and a decision was taken to cancel the contract, however following feedback from users regarding the concerns of this cancellation, and a review of the functionality, a decision was made to reinstate and enable the additional functionality available which includes company and director information and IP addresses for use in investigations.

8.3 UK Phonebook can only be provided by Siminuix and therefore is proprietary.

**9. Purchase of Cellebrite Licence by Crime and Justice at a cost of £7,095 from Cellebrite**

9.1 Cellbrite Licence provides the force with software/equipment tools to forensically examine smart phones/tablets. Without this software the result would be the requirement for the Force to send these devices to private forensic laboratorys at significantly higher costs.

9.2 This software along with the other tool used in force is only one of two tools recognised by ACPO and the College of Policing, and each tool provides differing extraction availability (no one piece of software will extract data from all known devices).

9.3 The Force had a backlog of devices awaiting examination, an additional licence will provide additional resilience during busy operational periods.

9.4 Although the cost of the licence is below £10,000, as there is already spend with Cellbrite the total expenditure with this provider is above £10,000.

**10. Contract for the Installation, Decommissioning and Maintenance of Airwaves Equipment in Police vehicles for ICT at a cost of £22,640 for 2 years from Cleveland Fire Brigade**

10.1 The installation, decommissioning and manintenance of airwaves radio equipment into Police vehicles must be carried out by accredited and security cleared workshops.

* 1. Cleveland Firebrigade are accrediated TEA2 approved airwaves installators and are the only local provider who have this accreditation and are therefore proprietary.
  2. Cleveland Police have used Cleveland Firebrigade for a number of years for the provision of this service. The service level was reviewed 2 years ago as the number of vehicles purchased per annum has reduced and the number of vehicles on the fleet has also reduced. Savings of £22,000 per annum were achieved. Further delays with ESN and the current review for Fleet collaboration with the Fire Brigade has resulted on a requirement to renew the contract.

**11. Maintenance and Support of Locard for ICT at a cost of £26,428 from Atkins.**

11.1 The Force uses Locard for its Scientific Support Unit and shares this with Durham Police and the Fingerprint Bureau. The application supports the submission and management of forensic exhibits for crime detection.

11.2 Although there are other software applications in the market the Force at present (until it has completed its review to establish if collaboration of Scientific Support is viable) has no desire to change systems due to its current close working with Durham and the cost to change.

11.3 Atkins is the sole provider of Locard and therefore the support and maintenance is proprietary.

**12. Support and Maintenance for iPNC and iDisclosure for ICT at a cost of £21,578.76 from Intergraph.**

12.1 The Force currently deploys products procured from Intergraph. These include i/Disclosure, i/PNC. These systems are supported by Intergraph. iPNC and iDisclosure are widely used to view and update and manage disclosure of operational police information.

12.2 Both applications are a bespoke piece of software and support is only available from Intergraph who hold the IPR and have sufficient knowledge of the application architecture therefore this is proprietary. This support will continue once the applications have been migrated to the MS-SQL database.

**13. Support and Maintenance of PNLD for ICT at a cost of £13,478.25 from West Yorkshire Police.**

13.1 The Police National Legal Database (PNLD) is an online knowledge base of legislation, case law, offence wording and police powers. The website is maintained by West Yorkshire Police on behalf of all Police Forces.

13.2 All Forces contribute to the annual support and maintenance costs which are proprietary as no other Police Force and external agency provide this service and knowledge base.

**14. Insurance Cover for the Executive at a cost of £12,057 from CPOSA.**

14.1 The Chief Police Officers Staff Association (CPOSA) provides insurance cover for officers working at Chief Officer Level. The reactive insurance provides cover for claims raised in relation to operational matters and decisions and misconduct matters.

14.2 This is part of a group insurance scheme which is available to all Chief Police Officers and is procured independently through a market process working with the Superintendents association.

14.3 This is proprietary as access to this group insurance can only be gained from CPOSA.

**15. Independent Investigation Services for Human Resources at a cost of £7000 plus mileage from NEREO.**

15.1 A grievance has been submitted to the Force which provides no opportunity to appoint an investigating officer from Cleveland Police or an alternative Force.

15.2 The Head of HR in consultation with the Director of Legal Services made a decision to appoint an external investigating officer.

15.3 The North East Region Employers Organisation (NEREO) are able to provide a unique service with the skills required for the particular investigation which is limited to them, therefore the service is believed to be proprietary due to the specific skills and restrictions associated with this grievance.

15.4 Although the cost of the service is below £10,000, as there is already spend with NEREO the total expenditure with this provider is above £10,000.

**Exceptional Situation – Operational Emergency**

**16. Contract for Pension Administration Service for the Force at a cost of £95,500 from Keir.**

16.1 Keir (formally Mouchel) has provided an adminstration service for its Police and Police staff pension scheme since April 2012. The initial contract was put in place via an exemption report to the Police Authority for a 5 year period with an option to extend for 3 years. The final 3 year extension required further approval.

16.2 The basis of the exemption report in 2012 was a saving by directly awarding a contract opposed to utilising the national contract with the same provider as the provider offered a greater discount due to the local connection with Middlebsrough Council.

16.3 A directly negotiated quotation was received from Keir for the 3 year extension, however on submission to the Chief Executive and Monitoring Officer for approval, the Chief Executive and Monitoiring Officer took the view that none of the exemption rationale provided was appolicable for this course of action.

16.4 Following on from the above decision the preferred route to market was to award this contract under the governance of the East Midlands Framework and Keir agreed to provide the service under this governance at the previously agreed lower cost, unfortrunatley on further investigation the farmework has 3 providers and a further competition exercise is required.

16.5 Due to the critical nature of the service it was agreed that as an operational emergency an exemption would be granted for a 12 month extension whilst a further competition exercise was conducted. This would allow for sufficinet time to transition if another provider was scuccessful without detrimenting the service provision. This procurement is currently underway.