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Item 5

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

**27th February 2020**

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

**Status: For Information**

**Contract Standing Order 10 – Exceptional Situations and Procurement Performance Report**

**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 July 2018 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 July 2019 to January 2020 and the Procurement Activity and Performance during the period July 2019 to January 2020.

1. **Recommendations**
   1. It is recommended that the Audit Committee note the exceptional situations detailed in Appendix 1.
   2. It is recommended that the Audit Committee note the Procurement Activity and Performance of the Procurement function detailed in Appendix 2.
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 every exceptional circumstance where it appears that the normal requirement to tender has not been followed. Changes to the reporting schedule have taken place to coincide with changes to the accounting reporting timetable. Reports will be submitted for information in February and July of each year. The details of exceptional circumstances for this reporting period are listed in Appendix 1.
  3. To provide members of the Audit Committee with a full picture of the Procurement activity in the Force and putting the exception report into context a Procurement Performance report has been provided in Appendix 2.

**4. Implications**

4.1 Finance

All commitments are within existing budgets.

Procurement Savings 2019/20 Year to Date (Apr 19-Jan 20) are £383,599.60

* 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 and the Procurement Performance in Appendix 2 not only comply with the process detailed in Contract Standing Orders but represent the Force’s ongoing commitment to greater efficiency and effectiveness.

Claire Wrightson

Head of Procurement and Fleet

**Exceptional Situation – Proprietary Product**

1. **Loan of the Knife Angel Sculpture for a month for the OPCC at a cost of £40,000 from Absolute Services Group and Middlesbrough Borough Council.**



* 1. The Knife Angel is a unique piece of artwork which has been designed to promote the awareness of knife crime.
  2. The Knife Angel is loaned to regions to aid their anti-knife crime campaigns free of charge, however regions are required to fund the transportation and erection of the Knife Angel.

1.2 Absolute Services Group are the only provider who have experience transporting the sculpture and therefore the only provider approved by the owner. The costs include transportation, crane hire, signage and communications and works from Middlesbrough Council to include ground works, fencing, lighting and security.

1. **2 x 12 Month Student Placements within Scientific Support at a cost of £24,000 from Teesside University.**

2.1 The Force works closely with the University of Teesside in a number of areas including Scenes of Crime. This includes the sharing of facilities such as Scene houses. The University has one of the main CSI Crime Scene Courses in the Country and is the only Further Education provider in the Cleveland area.

2.2 The Force has an agreement with the University of Teesside to offer a work placement for a CSI Student within Scenes of Crime. This placement assists in Volume Crime and provides mutual benefit to both the University and Student in providing work placement as part of their course and the Force assisting with the workload within the Force.

1. **Extension of Victim Care and Advice Service for 12 months by OPCC at a cost of £364,500 from Safe in Tees Valley.**

3.1 A Collaborative contract between both Durham and Cleveland PCC’s was put in place 5 years ago for the provision of victim advice and support services. This is a vital service which provides support for Victims of Crime across both Cleveland and Durham.

* 1. The contract was due to come to its natural end in March 2020, however the PCC’s for both Cleveland and Durham have agreed to extend the contract for 12 months. The rationale for this is to ensure continuity of service provision throughout the PCC election period, ensuring the incoming PCC is not committed to a long term contractual arrangement. The risk of re-procuring this service for a short period of tie may result in limited interest from the market.
  2. It is unclear at this stage of each incoming PCC’s intentions in terms of the future service model, however it is Cleveland’s intention to re-procure the services in readiness for March 2021.

1. **Extension of Support and Maintenance for 15 months of the ANPR System by ICT at a cost of £23,036 from Cleartone.**

4.1 The ANPR Back Office System is a vital tool used operationally to identify vehicles within the Cleveland area which may have intelligence on criminal activity.

4.2 In order to ensure that the ANPR system are mantained with the latest software releases and repaired should any problems occur a support and maintenance agreement is required.

4.3 Cleartone are the sole provider of support and maintenance of the ANPR systems used by the Force. In order to align the renewal dates with the financial year end a 15 month extension has been agreed.

1. **Purchase of 2 x UFED Logical In-Field Kiosk by Crime and Justice at a cost of £13,600 from Cellebrite.**

5.1 Cellebrite are the nationally recognised software and hardware provider for carrying out examination of Digital Mobile Devices. It holds the largest database of tools and mobile devices to allow ease of access in a simple and concise delivery of an evidential product.

5.2 The Force currently lease a number of these devices. DFU require additional devices to ensure that they can carry out their examination of exhibits which come in as a result of a crime, the alternative is to outsource this work at significant ongoing cost to the organisation. The initial purchase is for 2 devices, however further devices are required to enable triage of devices outside of the DFU.

5.3 Nationally a contract was due to be developed to enable purchase of these devices, however this has been delayed as a result of the cyber attack on Eurofins. As a result of the delays, Forces have had to progress local procurements to enable a contnuity of service. The Cellebrite device is the only device which has been reviewed and accredited and therefore this is a proprietary product.

1. **Purchase of 5 additional Licences and Annual Support and Maintenance of the Lima Case Management System by Crime and Justice at a cost of £12,050 from IntaForensic.**

6.1 IntaForensic Lima Case Management System in currently used in DFU to manage the case load and meet the accreditation process.

6.2 Following the recruitment of additional staff into the DFU, additional licences are required to ensure these staff can access the system and carry out their role. In additional annual support and maintenance is required to ensure the system is kept upto date and supported to ensure it meets the operational needs.

6.3 Intaforensics are the sole provider of this system and therefore it is proprietary.

**Exceptional Situation – Operational Emergency**

**7. Purchase of 12 Months Support for SAN Controllers by ICT at a cost of £14,254.21 from Dell.**

7.1 The SAN (Storage Area Network) is a key element of the Force ICT Network, the support for this was provided through a novated contract that SopraSteria held on behalf of the Force.

7.2 As part of the transition of ICT Services from Ladgate Lane to the CSH, 2 SAN controllers were purchased directly by the Force. At expiry of the support contract held by SopraSteria, the plan was to amend the support plan to include the new controllers purchased by the Force.

7.3 At a meeting with Dell they advised that the support could not be transferred from the Force to SopraSteria. This information was provided close to the renewal, therefore the short notice has resulted in the Force having an emergency requirement to take out support for the controllers directly with Dell to ensure ongoing support of critical IT infrastructure.

**Appendix 2 –Procurement Performance**

* The PCChas 289 live contracts
* In the Period July 2019 to January 2020, 47 of these contracts were extended
  + 44 were extended in line with the contract term e.g. if a contract was awarded as a 3 year contract with an option to extend for two further 12 month periods.
  + 3 were extended via an exception to contract standing orders and have been reported to the Audit Committee in the report submitted in February 2020 and Appendix 1 of this report
* 16 Tenders, Further Competitions or Direct Awards via National contracts were carried out during the period July 19 –January 20 (6 still in progress).

Chart 1 – Split of Procedure Type

Chart 2 – Split of New Requirement/Re-Procure Existing Contract

Key Contracts Awarded

|  |  |  |
| --- | --- | --- |
| **Title** | **Summary** | **Benefits** |
| Insurance Broker | Further competition conducted for Provision of Insurance Broker Services | Awarded following a procurement exercise which replaced previous direct awards delivering savings of £35k over 5 years |
| BWV/DIR/DEAMS | Replacement of BWV, DIR and award of a Digital Evidence Management System | Following further competition – 3 separate lots awarded which will work together to provide improved and more efficient production and management of digital evidence. |
| Amazon Business Services | Introduction Of Amazon Business Services | Yorkshire Purchasing Organisation have implemented a contract with Amazon which is available for Forces to use. The implementation of the Amazon Business Account has formalised the relationship, removing the need of using Corporate Credit Cards and moving to commitments on to the ERP system. |
| Police Constable Degree Apprenticeship | Award of the PCDA with University of Teesside | Award of the contract following review of the available providers to deliver this national programme for professionalising the Police Service. |

Savings

Procurement Savings 2019/20 Year to Date (Apr 19-Jan 20) are £383,599.60