

**Report of the Chief Constable to the Chair and Members of the Audit Committee
22nd September 2016**

Executive & Presenting Officer: Mr Graeme Slaughter, Chief Finance Officer

Status: For Information

Contract Standing Order 9 – Exceptional Situations

1. Purpose

- 1.1 Following the TUPE transfer of the Procurement Team back to the Force, the Contract Standing Orders were updated and agreed at the June 2016 meeting of the Audit Committee. Contract Standing Orders state that "Utilisation of Contract Standing Order 9 or failure to follow contract standing orders shall be reported by the CFO of the CC to the Audit Committee".
- 1.2 The purpose of this report is to advise the Audit Committee on the use of Contract Standing Order 9 during the period March 2016 to August 2016.

2. Recommendations

- 2.1 It is recommended that the Audit Committee note the exceptional situations detailed in Appendix 1.

3. Background

- 3.1 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.
- 3.2 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".

- 3.4 Contract Standing Order 9 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."
- 3.5 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.
- 4.2 Legal
Any requests to utilise Contract Standing Order 9 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.
- 4.3 Diversity & Equal Opportunities
There are no diversity or equal opportunities implications arising from the content of this report.
- 4.4 Human Rights Act
There are no Human Rights Act implications arising from the content of this report.
- 4.5 Sustainability
There are no sustainability implications arising from the content of this report.
- 4.6 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 9 but represent the Force's ongoing commitment to greater efficiency and effectiveness.

Graeme Slaughter
Chief Finance Officer

Exceptional Situation – Proprietary Product

1. Renewal of Crimestoppers for the OPCC at a cost of £55,707 for 3 years from Crimestoppers Trust.

- 1.1 The service provides a 24/7 contact centre for members of the public wishing to pass information to the police about incidents.
- 1.2 Crimestoppers is a nationally recognised organisation that solely deals with this type of service and therefore is proprietary.

2. Annual Maintenance of Viewstations for Crime and Justice at a cost of £18,780 from Vision Base.

- 2.1 The Viewstations enables decoding of CCTV for evidential product recovered from business/retail/residential systems and provides copying in a viewable format for use in investigations and ultimately presentation in court.
- 2.2 Annual maintenance is required to ensure that codecs are updated to allow continued decoding of CCTV. Vision Base, as the providers of the terminals, are the sole provider of the maintenance and therefore this is proprietary.
- 2.3 An early agreement to renew the contract resulted in a saving of £2,203.

3. Annual Maintenance of Audionet for ICT at a cost of £16,920.42 from Weston Digital.

- 3.1 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.
- 3.2 As the system was provided by Weston Digital, the support is proprietary to them.

4. Software Upgrade of Microwave Technology for ICT at a cost of £13,800 from Rapid Technology.

- 4.1 Rapid Technology have provided maintenance and support for the Cleveland Police microwave equipment. This equipment provides essential voice and data services to a number of sites.
- 4.2 The existing hardware is old and no longer available for support. Rapid has a wide collection of microwave units and dishes and is the sole provider of this. The contract provides a software update and continued annual support.

5. Three year Software Licence and support for XRY Licences for Crime and Justice at a cost of £22,275 from Microsystemation (MASB) Ltd.

- 5.1 In line with the College of Policing and ISO 17025 accreditation, forensic examination processes must make use of two different validated software packages to undertake examination of mobile devices. This is to ensure that all key evidential data is recovered in line with agreed principles and standards.
- 5.2 One of the software packages XRY requires annual renewal and support of the licences to ensure that software updates are received, including updates on the latest models of mobile devices to enable all devices to be forensically examined.
- 5.3 MASB is the source company for the XRY software and therefore can only be supported under licence by MASB.
- 5.4 In order to achieve the maximum discount a 3 year renewal has been agreed resulting in a saving of £2,475.

6. Purchase of interface between IIZuka and Golden Nominal Database for Professional Standards at a cost of £12,000 from IIZuka.

- 6.1 Following a successful bid for Innovation Funding for the introduction of a Data Quality solution, the Police and Crime Commissioner contracted with Experian to purchase a Golden Nominal Database. The Golden Nominal Database is an extract from Niche (force intelligence system) which has been cleansed with Experian data and matched against a set of rules to identify and merge duplicate person records, this making the data the best it can be.
- 6.2 To ensure the success of the Data Quality Tool, an interface was required between Golden nominal and the content management system (CMS) tool used within the Control Room. The current CMS tool is IIZuka and therefore IIZuka is the sole provider for the development of the interface.

7. Membership of the Global Corporate Challenge by Strategic HR at a cost of £20,168 over 3 years from Get the World Moving.

- 7.1 Research from the US suggests that interactive health solutions sustain participation in smoking-cessation programmes longer than conventional programmes. Interactive solutions provide individuals with control over how they use wellbeing services and often use fun and innovative approaches, which employees are keen to keep using.
- 7.2 Cleveland Police participated in the Global Corporate Challenge (GCC) on a pilot basis in 2015; the pilot consisted of 63 people and 9 teams. GCC is an interactive tool which covers physical activity, sleep, nutrition, weight management, alcohol use, smoking, heart age and mindfulness resulting in a lifestyle score and heart age.

- 7.3 The pilot provided positive results including staff being more aware of weight, less stressed, increased productivity and improved sleep patterns. A decision was made to roll the GCC out in 2016 which resulted in an increase to 20 teams, it is estimated that a similar number will participate in 2017. The GCC is seen to be a tool to support the Wellbeing agenda and to help improve sickness levels and improve productivity. Get the World Moving are the national and sole provider of the GCC and therefore this is proprietary.

8. Purchase of Imagicle Stonefax and Variphy Cisco Remote Licences for ICT at a cost of £11,330 to include 5 years support from Beckett Telecom.

- 8.1 In order to support the current Telephony Project which includes updating the Control Room solution and the telephony across the estate, additional licences are required to support the project.
- 8.2 The Variphy Cisco Remote licence is an existing product utilised in force, however in order to complete the Telephony Project an additional licence is required to facilitate critical functionality within the Control Room.
- 8.3 The Imagicle Stonefax is the only product on the market which is able to integrate with existing Cisco estate. The products are proprietary.

9. Purchase of Foreign National Registration Software for ICT at a cost of £19,500 for 3 years from the Nine Software Company.

- 9.1 The Nine Software Company and Durham Constabulary have formed a joint venture to deliver integrated software to deal with Foreign National Registrations.
- 9.2 The solution was designed to address issues surrounding scheduling of appointments, removing the need to index, publishing availability of appointments to Foreign Nationals without the need for Police Staff intervention, along with making the process user friendly for both the force and Foreign Nationals
- 9.3 The Nine Software Company is the sole provider of this software and therefore it is proprietary.

10. Support for Netbackup for ICT at a cost of £15,438 from Veritas.

- 10.1 In order to ensure that the Force infrastructure is backed up to provide disaster recovery and prevent data loss, an annual support fee is required to ensure that the organisation is not at risk.
- 10.2 The support for the Netback up deployed by the Force can only be provided by Veritas who are the sole provider of this support.

11. Report on Police Pension Scheme for Finance at a cost of £13,900 from AON Hewitt.

- 11.1 As part of the year end accounting, every 3-4 years there is a requirement for a valuation of the Police Pension Scheme to take place. This information then forms part of the annual accounts.
- 11.2 There are a limited number of providers of this service, however AON Hewitt have been used by the Force and PCC in previous years for the actuarial valuations and therefore have an understanding of the organisation. This existing knowledge and relationship provides added value and speeds the process up on a service only required every 3 years.

12. Purchase of NDI Gateway for ICT at a cost of £67,400 for 3 years from NDI.

- 12.1 The Police National Computer (PNC) can currently be accessed via 2 methods, IPNC and an NDI Gateway. The NDI gateway provides additional functionality such as access to PNC via Niche, ANPR and EROS.
- 12.2 As a result of Strategic Intent and changes to opening hours for enquiry desks, there was a requirement to increase functionality from PNC to create emails and PDF files which can be more easily included with Niche records. NDI is the sole provider of the Gateway/interface and therefore the required product is proprietary.
- 12.3 Once full migration is complete investigations will be carried out to identify if support for IPNC is still required.

Exceptional Situation – Operational Emergency

13. Purchase of IT Security Health Check by Professional Standards at a cost of £16,150 from NCC Group.

- 13.1 NCC Group provide specialised services in regard to Network and Infrastructure Penetration Testing and have been used by Cleveland Police in a number of occasions before, therefore have built in depth knowledge of infrastructure and security protocols.
- 13.2 It is a requirement for Public Services Network (PSN) compliance to reaccredit its connection. The Independent Security Health Check is designed to identify technical vulnerabilities which may compromise Police data.
- 13.3 NCC group has proprietary knowledge of our infrastructure in order to meet the required timescales for the reaccreditation. There is an intention that a Regional contract will be put in place by Cleveland Procurement for IT Health Checks for future years, however timescales have not allowed this to be complete in readiness for the 2016 reaccreditation.

14. Emergency Boarding and Glazing for TCP and Operations at a cost of £20,000 for 12 months from Orbis.

- 14.1 The existing contractor for the Boarding and Glazing served 3 months' notice to terminate the contract, sighting that the contract had not been commercially viable for them.
- 14.2 Due to an operational necessity to ensure continuity of service, a number of options were explored to identify an alternative contractor. Due to the short timescales a tender exercise was not possible.
- 14.3 A national contract was available, however the provider had been used by Cleveland in the past and performed very poorly therefore there was a reluctance to engage again.
- 14.4 Orbis Protect provide the emergency boarding to Police Scotland. During due diligence Police Scotland provided assurances regarding service quality and therefore to avoid a break of service provision which would have an impact operationally, a decision was made to appoint Orbis Protect on a 12 month basis to enable sufficient time for a full procurement exercise to be carried out.

15. Provision of Royal Mail Account for Crime and Justice at a cost of £10,000 from Royal Mail.

- 15.1 The Central Ticket Office, send out Notices of Intended Prosecution via a prepaid 1st class post account. The arrangement has been in place for a number of years and renewed annually. The process is agreed and accepted by Crown Prosecution Service as a reliable service, as notices must be served within 14 days of the offence.
- 15.2 Since the privatisation of the postal service, the Royal Mail service is no longer a proprietary service as other mail providers has entered the market. This service has only recently come to the attention of Procurement and therefore there was insufficient time to complete a procurement exercise prior to the renewal date of the Royal Mail service, without which would have caused a risk to service interruption. This service had been added to the procurement plan to ensure a exercise is carried out prior to the next renewal phase in 12 months' time.