

**Report of the Chief Constable to the Chair and Members of the Audit Committee  
29<sup>th</sup> September 2022**

**Executive & Presenting Officer: Mr Ian Wright, Director of Finance and Assets**

**Status: For Information**

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

**1. Purpose**

- 1.1 Contract standing orders were revised on 22<sup>nd</sup> 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 March 2021 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”.
- 1.2 The purpose of this report is to advise the Audit Committee on the use of Contract Standing Order 10 during the period March 2022 to August 2022 and the Procurement Activity and Performance during the period March 2022 to August 2022.

**2. Recommendations**

- 2.1 It is recommended that the Audit Committee note the exceptional situations detailed in Appendix 1.
- 2.2 It is recommended that the Audit Committee note the Procurement Activity and Performance of the Procurement function detailed in Appendix 2.

**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 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."
- 3.5 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 the financial year 2021/22 in September and March. The details of exceptional circumstances for this reporting period are listed in Appendix 1.
- 3.6 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.

Total Procurement Savings 2021/22 were £374,276

Procurement Savings Year to Date 2022/23 (April-August) are £66,937

##### **4.2 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.

##### **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 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. Annual Support and Maintenance of Pegasus Source Management Module for ICT at a cost of £24746.94 for 12 months from Altia-ABM**

- 1.1 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).
- 1.2 To ensure on-going support and maintenance of an operationally vital system a renewal of this agreement is required.
- 1.3 Altia-ABM is the sole provider of Pegasus and therefore this is proprietary.

### **2. Purchase of Annual Support and Maintenance of EROS2 Software for CDSOU from Cubic Transport at a cost of £10,483.83**

- 2.1 The Force has utilised the EROS2 Enforcement Software within its Camera safety unit for a number of years. This software is used as part of the Camera Enforcement Unit to deliver Road Safety.
- 2.2 To ensure on-going support and maintenance of this operational system a renewal of the support and maintenance is required.
- 2.3 Cubic Transport is the sole provider of the support for the EROS system and therefore this is proprietary.

### **3. Annual Support and Maintenance for CycComms for Covert Standards at a cost of £21,094 for 12 months from Geoff Smith Associates.**

- 3.1 The Home Office funded collaboration a number of years ago for a regional solution for telephone analysis for investigations.
- 3.2 Support and Maintenance for the application is required to ensure the software is supported and receives upgrades.
- 3.3 Maintenance of the software can only be provided by Geoff Smith Associates they are the sole provider of this product therefore it is proprietary.

### **4. Renewal of Licences for Centurian Software by Department of Standards and Ethics at a cost of £24,984.86 for 12 months from FIS.**

- 4.1 Centurian software is a nationally recognised database for Professional Standards case handling. The majority of Forces across the country currently use this database and there is no recognised and tested alternative.
- 4.2 Cleveland Police have utilised the Centurian Software for a number of years and this proprietary product is provided by FIS. This contract is renewed annually.

- 4.3 The Force currently has 100 named users. FIS are the sole provider of Centurian Licences and therefore this is proprietary.

**5. Annual Support and Maintenance for PNLD from for ICT at a cost of £15,470.75 from West Yorkshire Police.**

- 5.1 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.
- 5.2 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.

**6. Purchase of a Road Safety Support Licence for CPSOU at a cost of £10,500 for 12 months from RSS.**

- 6.1 In order to operate the Camera Enforcement Unit, the Force require a Road Safety Licence. This Licence provides the organisation access to a range of vital services which are required to operate effectively.
- 6.2 RSS are a not for profit organisation who provide this service to all Forces across the Country. RSS are the sole provider of this licence and therefore this is proprietary.

**7. Renewal of Banking Contract by OPCC at a cost of £27,206 for 3+2 years with National Westminster Bank.**

- 7.1 Banking Services have been provided by National Westminster Bank for a number of years and the service has been tailored to suit our business needs.
- 7.2 National Westminster Bank is 1 of only 2 banks which provide covert bank accounts and cards to meet our operational needs along with the ability to earn interest on short term surplus cash and therefore to avoid account set up costs and the risk of non payment of staff this is proprietary.

**8. Provision of Auditing Services for ISO Accreditation for Scenes of Crime at a cost of £70,000 from UKAS**

- 8.1 In order to deliver Forensic Services, Forces need to have their Forensic Service Departments ISO Accredited.
- 8.2 UKAS (United Kingdom Accreditation Service) are the only organisation which are legally allowed to audit and award accreditation to ISO standards within the UK and therefore this is proprietary.

## **9. Purchase of GrayKey Licence for Scenes of Crime at a cost of £33,575 for 12 months from Grayshift.**

- 9.1 Mobile Phones are developing at a fast rate with passcodes to unlock these becoming more advanced. The Digital Forensic Unit require a tool to unlock mobile phones that don't have a passcode supplied with them to enable examination of the devices.
- 9.2 Graykey is a unique decryption tool specifically designed to break pin codes and retrieve full forensic extractions of suspect's mobile devices.
- 9.3 Graykey is the only product available on the market for unlocking IOS and Android mobile phones without the passcode and this is proprietary to Grayshift.

## **10. Extension of Café 54 Contract at a cost of approximately £80,000 for 24 months with Rowland Cooper.**

- 10.1 Following a tender exercise in 2018 a contract was awarded to Rowland Cooper for the provision of a Café service at the then new Central Headquarters. Only 1 bid was received during the procurement exercise.
- 10.2 The contract was put in place for a period of 2+2 years. The contract was not subsidised but included the provision for Operational Feeding and Hospitality as well as the ability for staff to purchase meals.
- 10.3 As a result of the Pandemic, hospitality ceased for almost 2 years as well as the number of people working from Central Headquarters due to the directive of Home Working. In addition as the Café was in the public area and open to the public this work also ceased and a decision has subsequently been made not to open the area to the public. This has meant that during the final 2 years of the contract Café 54 has been unable to operate in line with the expectations of the contract and has seen a loss of revenue through these exceptional circumstances.
- 10.4 In line with Government guidance in the form of PPN (Procurement Policy Note) during the pandemic allowing extensions etc, the procurement team made a decision to offer a further 2 year extension to Rowland Cooper to give them the opportunity to deliver services in line with the contract without the restrictions imposed through the Pandemic.

## **11 Renewal of Mapinfo Support and Maintenance for ICT at a cost of £10,325 from CDR Group.**

- 11.1 Mapinfo is the current mapping solution which has been utilised by the Force for a number of years. This tool is used by both the GIS Team and Force Analytical Team to plot various entities on maps for analytical and investigative purposes. The software also links with analytical tools.

- 11.2 In order to ensure continued use and ensuring the software is up to date a renewal of the maintenance and support is required. CDR Group are the sole provider of Mapinfo and therefore this is proprietary.

**12 Renewal of the Royal Mail Online Business Account for Criminal Justice at a cost of £25,000 per annum from Royal Mail.**

- 12.1 The Royal Mail OBA account is used to send out Notice of Intended Prosecution by prepaid 1<sup>st</sup> post. This contract was set up by Cleveland Police and has been renewed each year.
- 12.2 The process is agreed and accepted by CPS as reliable service. Notices must be served within 14 days of the offence date to the registered keeper. Continuity of this service is paramount to business and would cause a risk if there was an interruption to service.
- 12.3 Royal Mail are the sole provider of this service and therefore it is propriatry.

**13. Purchase of Neuroforensic Services for Crime and Justice at a cost of £2,250 per examination from Neuroforensics Ltd.**

- 13.1 During homicide or unexplained death investigations there may be a requirement to carry out a forensic medical examination of the deceased persons brain. This is required to produce of evidential reports of medical findings and for the presentation of expert testimony at Court.
- 13.2 Dr du Plessis is a consultant neuropathologist with a specialism including the forensic examination of brains of the deceased. As such, and as one of only two such specialists his services are engaged regularly as part of the forensic post-mortem process to ascertain the best medical evidential understanding of causes of death. This is a specialised skillset beyond that of Home Office Pathologists and required to support their work for the police.
- 13.3 The cost of the service is £2,250 per examination, however the total costs will vary year on year depending on the number of examinations required. This is a proprietary service.

**14. Provision of Corporate UK Phonebook for ICT at a cost of £28,200 from Siminuix for 12 months.**

- 14.1 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.
- 14.2 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.

- 14.3 UK Phonebook can only be provided by Siminuix and the supplier has developed the product for a number of years to provide additional services which overlap with both free of charge services and services purchased from other providers however these are unavailable as a one stop shop, therefore this is proprietary.
- 14.4 Following previous exemptions the force intended to investigate the tool to establish what services were required and carry out a procurement exercise. Due to other business priorities a procurement exercise was not conducted as the force newly established Digital Services Department (DSD) has not had the opportunity to carry out investigations, this work should be scheduled by DSD to ensure no further exemptions are submitted.

**15. Renewal of Cellebrite Licences for Scenes of crime at a cost of £154,405 for 3 years from Cellebrite.**

- 15.1 Cellebrite Hardware and Software is internationally recognised for its ability to enable extractions and investigations of mobile devices and apple Macintosh computers.
- 15.2 The software is used by almost all Police Forces in the UK and is proprietary to Cellebrite.
- 15.3 Staff have undertaken bespoke training courses and the software has been incorporated into documented procedures which are currently undergoing ISO accreditation.
- 15.4 Failure to renew the licences would mean that mobile phone examinations and some computer examinations would not be able to be carried out in Cleveland Police which would be a considerable risk to the force.
- 15.5 A 3 year renewal has been agreed to maintain costs at the current level.

**16. Extension of ICT Contract Resource for ICT at a cost of £51,000 from Senovo for 4 months**

- 16.1 Cleveland Police have used contract resource from Senovo for a number of months to assist with the Digital Transformation programme.
- 16.2 Following an audit a number of critical Network Security upgrades were identified. The contract resource from Senovo was extended as the resource had the necessary skills and experience needed to complete the critical upgrades, these are still ongoing and therefore a further extension is required. ICT are currently in the process of recruiting into positions however continue to have difficulties filling positions due to the current employment market.
- 16.3 It was therefore necessary to extend the existing arrangement as proprietary service due to the knowledge of the Force Infrastructure that the individual has.



**17. Provision of ICT Contract Services by ICT at a cost of £42,717 for 4 months from Greenwich Contracts.**

- 17.1 As part of the Digital Transformation Programme, Cleveland Police engaged SopraSteria to supply technical resource in order to aid the on-site team in delivering the programme.
- 17.2 An exemption reported previously, highlighted the requirement for the resource to be extended to the 31<sup>st</sup> July 2022 to meet the project deliverables and therefore the resources were transferred to Cleveland Police at the conclusion of the SopraSteria contract. The resources as individuals were proprietary however they were paid for via an Umbrella Organisation.
- 17.3 A further 4 months extension is required as it is imperative that the same resource is utilised to complete the project due to the knowledge and experience already gained through engagement.

**18. Purchase of Independent Police Improvement Advisor for the OPCC at a cost of £100,000 from BDMN.**

- 18.1 Following the HMICFRS Peel Inspection in 2019, the Force continues to be engaged in HMICFRS oversight arrangements with no exit date currently identified.
- 18.2 As part of the PCC's commitment to provide the Chief Constable with appropriate tools and resources to accelerate the pace and depth of improvement of Cleveland Police, the PCC wished to secure the services of an independent policing improvement adviser to assist the Chief Constable during the early part of his tenure of Office.
- 18.3 BDMN has detailed understanding of the HMICFRS inspection framework and delivery of transformational organisational change in policing. With over 40 years of experience, and has a proven track record in successfully delivering; efficiency improvements, cultural change, developing and implementing new strategies which transformed services delivered by the largest police force in the country. Having assisted the PCC in the Chief Constable recruitment processes, the provider is fully cognisant of the improvement challenges facing the Force and therefore this service is proprietary.

**Exceptional Situation – Operational Emergency**

**19. Purchase of Audi E-Tron for Fleet Management at a cost of £68,999 from Lookers Tyneside Audi**

- 19.1 A new Chief Constable had been appointed by the PCC and was due to commence in role on the 1<sup>st</sup> April.
- 19.2 As part of the role a Force vehicle is provided to the Chief Constable to enable travel to and from work and across the Cleveland area.

- 19.3 As a result of the Pandemic and the Ukraine conflict, the manufacture of new vehicles is taking 9-12 months.
- 19.4 There was no suitable vehicle on the Fleet to provide a temporary vehicle whilst waiting for a new one to be ordered, therefore approval was given from the PCC to source from dealers across the country vehicles which would be immediately available.
- 19.5 The only vehicle which was immediately available which met the specification provided in particular an electric vehicle with sufficient range to travel from Cumbria was purchased from Audi Tyneside. This vehicle was delivered in advance of the Chief Constable starting in his role.

**20. Purchase of Dog Training Vehicle and Engagement Van for Fleet Management at a cost of £51,328 from Lookers Teesside**

- 20.1 Following the end of the Dog Section Collaboration with Durham and North Yorkshire a training vehicle was required to transport dogs when training. These vehicles are generally larger vans with the ability to transport multiple dogs. A temporary vehicle was provided to the Dog Support Unit whilst a vehicles were purchased, however this did not fully meet the needs of the unit and therefore was placed on the Strategic Risk Register.
- 20.2 Delays due to Covid on the award of the National contracts for the purchase of vehicles and the International supply chain issues on semi-conductors used in all vehicles has resulting in long lead times for new vehicles. A vehicle was purchased through the same route in the 21/22 capital programme however a further vehicle as required to meet the needs and reduce the risks. A decision was made to purchase a further used vehicle to provide a suitable second vehicle quickly and reduce the risk to the organisation.
- 20.3 In addition a Business Case was submitted to purchase an Engagement Van, to enable the Community Engagement Teams to attend events and promote the work carried out by the Force and engage with our communities. A significant number of engagement events take place in the summer months and therefore to avoid lengthy delays with the new vehicle market a decision was made to purchase a used vehicle to ensure it was available during the busiest months.
- 20.4 The Fleet Team made enquiries with local dealers and two suitable vehicles were identified and purchased with a local provider.

**21. Provision of Repairs and Maintenance Services for Fleet at a cost of approximate £20,000 for 6 months from Drive Vauxhall**

- 21.1 The Forces vehicle fleet is serviced and repaired through contracts with third party garages. In 2018 contracts were awarded to providers following a formal tender

exercise. The contracts are split into lots with garages based in each Local Authority area to reduce travelling time for vehicle repairs.

- 21.2 At the time of tendering, the force received very little interest from garages for the Hartlepool lot. The fleet team carried out market engagement with local garages to promote the work and 1 bid was received for this lot. The contract was awarded as a 3 year contract with an option to extend for a further 2 years.
- 21.3 During the pandemic, all of the contractors continued to provide services for our vehicles, however as restrictions lifted and the employment market improved garages have struggled to recruit vehicle technicians. In addition due to delays in getting new vehicles the fleet is ageing and the number of repairs is increasing.
- 21.4 The Hartlepool contractor served notice in line with the contract terms citing the increase in police work due to the vehicle age and the inability to recruit technicians had impacted on their ability to service private customers which was more lucrative work and therefore was risking putting them out of business.
- 21.5 In order to ensure the maintenance of these vehicles Hartlepool vehicles were moved to other contractors on the contract when serving and repair was required, however this has added to the pressure as a result of the ageing fleet.
- 21.6 Work is currently underway in new partnership arrangements to work collaboratively on servicing and maintaining the Hartlepool Fleet, however this will take sometime to implement, therefore the Fleet Team approached a previous contractor in this area to put in place a temporary arrangement for servicing and repairing Hartlepool vehicles to ensure that vehicles are safe and on the road to support operations.

## **22. Purchase of BMW 530d for CPSOU at a cost of £34,000 from Brightwells**

- 22.1 Following a Police fatality in Cumbria a number of years ago as a result of an engine fire, work has been ongoing nationally regarding the engines within BMW vehicles. Risk assessments have been carried out in line with NPCC recommendations resulting in a number of the RPU/ARV fleet being moved into a high risk category. Vehicles in this category cannot be used above the legal road speed limit.
- 22.2 A number of Cleveland's vehicles were placed in this category and the Fleet Team have implemented a number of different options to ensure the department has sufficient vehicles to be able to operate effectively. This includes, purchasing new (non BMW) vehicles, which are currently on order and changing the engine on the high risk vehicles to move them back into the lower risk category.
- 22.3 To provide additional resilience in this area, a decision was made to purchase a brand new fully converted vehicle which would be available with immediate effect from Northumbria Police. Northumbria had made a policy decision to dispose of all of their BMW vehicles inclusive of brand new vehicles which hadn't been put into operational use. These vehicles had been sent to auction and therefore purchased from the Auction House.
- 22.4 This is an operational emergency as there was an urgent need to have fully operational vehicle which could support operations.

**23. Provision of Specialist Support for HR at a cost of £32,512.50 from North East Regional Employers Organisation.**

- 23.1 The Force currently have a high number of significant legal cases, including but not limited to employment tribunals and Police medical Appeals that require immediate attention.
- 23.2 In addition the People and Development Directorate have a number of resourcing gaps which they are struggling to fill.
- 23.3 These cases require both immediate and priority attention and given the current employment market, there is an urgent need to resource external experienced subject matter experts.
- 23.4 Having considered a range of options; and in view of the operational urgency of the identified requirements (as set out in the Terms of Reference), timeframe and the immediacy of the organisational gap, it is proposed to utilise the service of North East Regional Employers' Organisation (NEREO).
- 23.5 NEREO is one of eleven regional bodies that support local authorities across England, Wales and Northern Ireland and is the body which is available to support public sector in the North East of England. NEREO's function is to support local authorities and partner organisations in the fields of Human Resources, Organisational Development and Employee Relations in all their complex and varied forms.
- 23.6 Due to the current resource gaps within HR, ER and Occupational Health there is a requirement for specific tasks to be supported by those with the requisite skills that we require some specialist support that we are unable to recruit into. Given the immediacy to resource subject matter experts to deliver the priority requirements (as set out in the Terms of Reference) it is proposed to utilise NEREO services.

**24. Vehicle Conversion Services for Fleet Management at a cost of £12,939.70 from Press Fab**

- 24.1 The vehicle mentioned in exemption 20 required conversion into a dog training vehicle which included fitting out with dog cages and air conditioning etc to meet DEFRA guidelines.
- 24.2 Investigation with local Forces whom normally carry out vehicle conversion work identified a lack of capacity to take on additional work due to staff shortages as a result of the COVID Pandemic and the difficulty they are experiencing filling vehicle technician roles when recruiting.
- 24.3 As a result of the recording of the strategic risk and the urgent need to have this vehicle operationally ready, Fleet Management made further enquiries with

converters. Pressfab had a conversion slot available to be able to carry out the work quickly.

## **Appendix 2 –Procurement Performance**

- The PCC has 314 live contracts
- In the Period March 2022 to August 2022, 44 of these contracts were extended
  - 33 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.
  - 11 were extended via an exception to contract standing orders and have been reported to the Audit Committee in the report submitted in September 22 and Appendix 1 of this report
- 22 Tenders, Further Competitions or direct use of frameworks were carried out during the period March 22 – August 22.

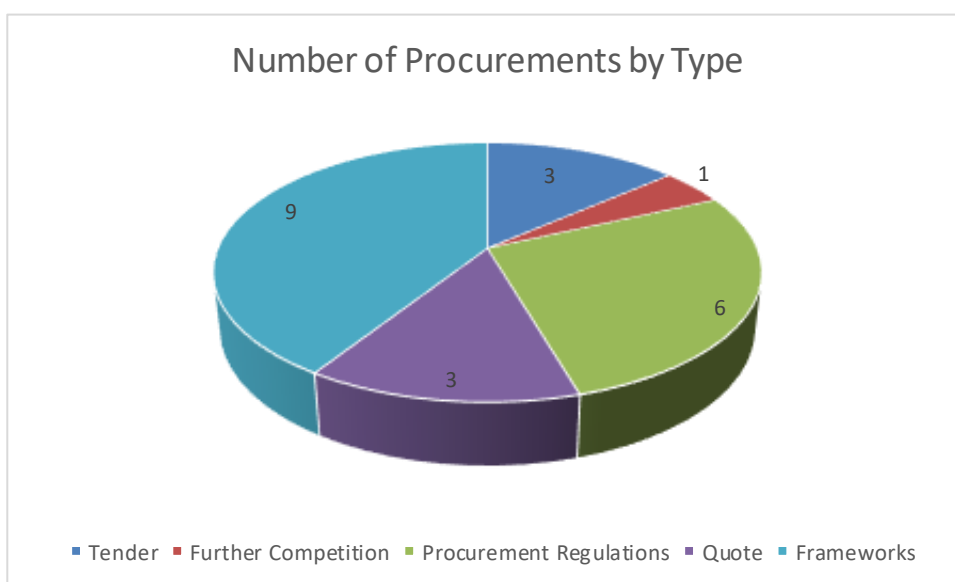


Chart 1 – Split of Procedure Type

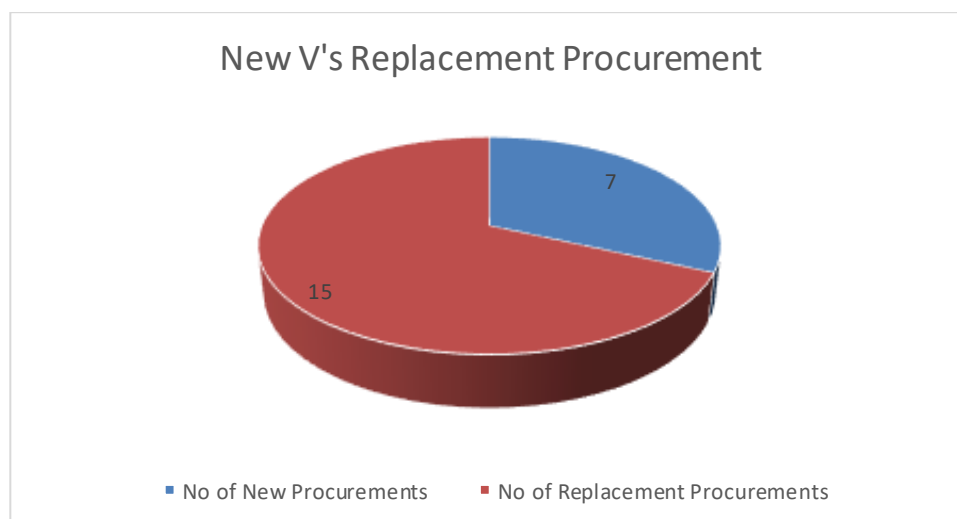


Chart 2 – Split of New Requirement/Re-Procure Existing Contract

### Key Contracts Awarded

<b>Title</b>	<b>Summary</b>	<b>Benefits</b>
Custody Healthcare	Replacement contract for Healthcare Services in Custody. Existing provider was the successful bidder.	Contract delivered £208,103 savings across the 5 year term.
Custody Contract	Custody Detention Officers. Existing provide	The provider and the Force will work closely together to address the recommendations from the HMICFR Report
Serious Violence Needs Assessment	Provision of a Needs Assessment following receipt of Serious Violence funding and the creation of the CURV.	This contract will deliver a way forward for the newly developed CURV to focus where the greatest needs are.

### Savings

Total Procurement Savings 2021/22 were £374,276

Procurement Savings Year to Date 2022/23 (April-August) are £66,937