

**Report of the Chief Constable to the Chair and Members of the Audit Committee
21st March 2023**

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 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 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 September 2022 to January 2023 and the Procurement Activity and Performance during the period September 2022 to January 2023.

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.

Procurement Savings Year to Date 2022/23 (April-December) are £113,886 or £1,855,766 which includes non-cashable and cost avoidance savings

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. Renewal of Dongle by Digital Forensic Unit at a cost of \$28,350 (£23,283.25) from Magnet Forensics.

- 1.1 Magnet Forensics are the nationally recognised software for carrying out investigation/Triage of Digital Mobile Devices. This software is one of the best tools and is highly respected in the law enforcement community.
- 1.2 This tool is the main tool used within the Digital Forensic unit to investigate digital evidence and provide simple and concise delivery of evidential product.
- 1.3 This is proprietary product.

2. Annual Support of Employee Relations Case Tracker System from People and Development at a cost of £13,422 for 12 months from Allocate Software.

- 2.1 The employee relations team utilise a case tracker system to ensure that the records of all cases requiring the input of the Employee Relations Team are recorded in one place and in a consistent manner.
- 2.2 The Force is currently working on an Oracle Optimisation project and case tracking is being considered as part of this project, therefore a 12 month extension to the contract is required to enable the project to identify whether Oracle can be used or if a separate Procurement Exercise is required.

3. Renewal of Licences for Centurian Software by Department of Standards and Ethics at a cost of £28,983.04 for 12 months from FIS.

- 3.1 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.
- 3.2 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.
- 3.3 The Force currently has 100 named users. FIS are the sole provider of Centurian Licences and therefore this is proprietary.

4. Extension and tailoring of Visual Files for Legal Services at a cost of £19,543 for 12 months from Lexis Nexis.

- 4.1 Lexis Nexis Legal File Management system is unique in the Legal Environment as it caters for all aspects of mainstream law as well as more specialist areas. In addition it can easily be modified to include other areas of Police specific law that will soon be introduced.

- 4.2 This combined with its continued use over a number of years has the programme well embedded in the Force as well as Durham as part of the Evolve collaboration and the cost to change would be prohibitive.
- 4.3 Annual renewal of support and licences is due and the added benefits of the system being able to be accessed remotely have added to its proprietary nature, additional service days have been added to allow the system to be tailored to the service needs.

5. 5 x 12 Month Student Placements within Scientific Support at a cost of £60,000 from Teesside University.

- 5.1 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.
- 5.2 The Force has an agreement with the University of Teesside to offer a work placement for a CSI Student within Scenes of Crime and Digital Forensics Unit. 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.

6. Specialist Skills Complaint Reviewer for the OPCC at a cost of £20,000 for 12 month from Sancus Operations

- 6.1 The OPCC outsources complaints reviews due to a lack of capacity to deliver the service in-house.
- 6.2 This is a specialist service and Sancus are the only provider which actively undertake reviews on behalf of OPCC's, therefore its proprietary.
- 6.3 The risk of not using the service, is that complaints reviews would not be conducted. The costs are based on the hourly rate and then number of cases conducted in the previous year.

7. Purchase of Forensic Workstations for Digital Forensics at a cost of £31,737 from Novatech

- 7.1 Forensic Workstations are used in the Digital Forensic Unit to carry out their work. The current workstations are outdated and slow and are affecting the performance of the team.
- 7.2 The hardware must be updated and refreshed to maintain the best use of software and to allow the best use of efficiencies with the work procedures to complete forensic case load.

- 7.3 The use of the forensic workstations is incorporated into documented procedures which are currently accredited. Failure to update these workstations will result in a loss of accreditation.
- 7.4 Novatech are a company that provide computer hardware including forensic workstations. They provide consultation prior to building a specification sheet that matches the requirements of the Digital Forensic Unit for these workstations. The forensic workstations must be built with specific parts as the software we use has a minimum required standard and the workstations must be built correctly and configured to use the forensic software.
- 7.5 We have previously used Novatech in the past and for this refresh of equipment it is required that the new machines match the older build style of the equipment so as to create a seamless transition on the forensic network. This is proprietary as Novatech are the sole provider of these devices.

8. Purchase of Cellebrite Premium for Scenes of crime at a cost of £221,813.89 for 3 years from Cellebrite

- 8.1 Cellebrite have been the supplier of forensic software to Cleveland Police for over 10 years. They provide proprietary software for the examination of mobile phone and apple macintosh computers which can't be obtained from another provider. The software is used by almost all Police forces in the UK.
- 8.2 Staff have undergone bespoke training courses, both internal and external, to be able to use the software at considerable cost to the force.
- 8.3 The use of the software has been incorporated into documented procedures which is currently undergoing ISO accreditation.
- 8.4 The addition of the Cellebrite Premium Services will allow DFU staff to gain access to a larger selection of pinlocked devices and at a faster rate. The addition will also mean that the outsourcing of single devices to cellebrite will become unnecessary as the premium service is what is offered when submitting to cellebrite and this would now just occur internally creating financial savings. Further efficiencies will also be created reducing the amount of data transfers that have to occur in the department.
- 8.5 Failure to add the additional software would have an impact on mobile phone examinations and information passed on onto officers and add to further delays which would be a considerable risk to victims of crime. It also impacts significantly on staff time to currently extract data. This new solution offers a better quality of data extraction than the current we purchase from them, UFED.
- 8.6 As the value of this exemption is above Public Procurement Regulations, there is a risk of challenge around appointing the supplier in this way however as the supplier is the only available supplier in the market the risk is low and the product is proprietary.

- 8.7 A Voluntary Ex-Anti Transparency Notice (VEAT) will be posted on Find a Tender to ensure transparency and ensure compliance with the regulations. This is the approach taken by other Forces.
- 8.8 The reduction of the term of this contract would reduce in significant uplift costs which we will receive year on year due to inflation, these costs exceed 13k.

Exceptional Situation – Operational Emergency

9. Purchase of Firearms Training Vehicle for Fleet Management at a cost of £24,710.66 from Lookers Teesside

- 9.1 Firearms utilising a van for training which has come to end of life despite being under the replacement mileage and therefore was not scheduled to be replaced. The existing vehicle has been repaired on numerous occasions however has now reached end of life.
- 9.2 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 decision was made to purchase a used vehicle to provide a suitable vehicle quickly and reduce the risk to the organisation.
- 9.3** The Fleet Team made enquiries with local dealers and a suitable vehicle was identified and purchased with a local provider.

10. Purchase of Vehicle for Fleet Management at a cost of £11,750 from Robin Beeston

- 10.1 The OPCC approved funding for a special project in Redcar and Cleveland to work with young people with a theme around motorcycles and positive behaviours while diverting them away from dangerous activities.
- 10.2 As part of the project, a van as required to transport a gifted motorcycle to the various venues. The requirements of the van was that it didn't need to be new but had to be large enough to transport a motorcycle.
- 10.3 A suitable vehicle was identified which was available immediately to meet the timescales of the project and within budget.

11. Purchase of Street watch Service for the OPCC at a cost of £20,000 for 6months from Women's Street Watch

- 11.1 CURV funding was agreed by the Home Office in July 22 has been agreed within the financial year parameters. This left a 6 month timeline for the commission and delivery of services which are subject to enhanced monitoring and evaluation by the Home office.

- 11.2 The procurement timeline would not be suitable within these timeframes to enable a service to be developed, tendered and delivered.
- 11.3 The Women's Street Watch services has been identified as a specialist service required in specific areas identified by the Serious Violence hot spots.
- 11.4 Women's Street Watch service is delivered by volunteers within the night-time economy and the service will reduce the number of non-emergency calls to 999.
- 11.5 If the service is required beyond the 6 months, then a full procurement process will be conducted, however the initial requirement has been procured as an emergency as there is insufficient time to complete a full procurement within the Home Office timelines.

12. Purchase of Specialised school programme for the OPCC at a cost of £35,000 for 6 months from Strength to Succeed - Elevate

- 12.1 CURV funding was agreed by the Home Office in July 22 has been agreed within the financial year parameters. This left a 6 month timeline for the commission and delivery of services which are subject to enhanced monitoring and evaluation by the Home office.
- 12.2 The procurement timeline would not be suitable within these timeframes to enable a service to be developed, tendered and delivered.
- 12.3 The specialist school programme will delivering teaching in the school environment with the aim of reducing violence by educating early.
- 12.4 If the service is required beyond the 6 months, then a full procurement process will be conducted, however the initial requirement has been procured as an emergency as there is insufficient time to complete a full procurement within the Home Office timelines.

13. Purchase of media campaign services for the OPCC at a cost of £30,000 for from Global

- 13.1 CURV funding was agreed by the Home Office in July 22 has been agreed within the financial year parameters. This left a 6 month timeline for the commission and delivery of services which are subject to enhanced monitoring and evaluation by the Home office.
- 13.2 The procurement timeline would not be suitable within these timeframes to enable a service to be developed, tendered and delivered.
- 13.3 A multimedia anti-violence campaign gas been planned to encourage young people between the ages of 11 and 25 to reconsider becoming involved in violent crime.

- 13.4 If further campaigns are required, then a full procurement process will be conducted, however the initial requirement has been procured as an emergency as there is insufficient time to complete a full procurement within the Home Office timelines.

14. Purchase of Bespoke Community Engagement Events for the OPCC at a cost of £30,000 for from Get Connected

- 14.1 CURV funding was agreed by the Home Office in July 22 has been agreed within the financial year parameters. This left a 6 month timeline for the commission and delivery of services which are subject to enhanced monitoring and evaluation by the Home office.
- 14.2 The procurement timeline would not be suitable within these timeframes to enable a service to be developed, tendered and delivered.
- 14.3 The service will ensure that community model which underpins focussed deterrence engages with at risk groups and provides a toolkit to contrive solutions to existing problems.
- 14.4 If further work is required, then a full procurement process will be conducted, however the initial requirement has been procured as an emergency as there is insufficient time to complete a full procurement within the Home Office timelines.

15. Purchase of Data Sharing Software for the OPCC at a cost of £20,566.64 for 14 months from Sicuro Group

- 15.1 CURV funding was agreed by the Home Office in July 22 has been agreed within the financial year parameters. This left a 6 month timeline for the commission and delivery of services which are subject to enhanced monitoring and evaluation by the Home office.
- 15.2 The procurement timeline would not be suitable within these timeframes to enable a service to be developed, tendered and delivered.
- 15.3 A browser based software solution for the aggregation, visualisation, analysis and dissemination of data relating to serious violence reduction is required. The purchase involves creation of the tool combined with hosting fees and technical support between February 2023 and March 2024.
- 15.4 There is no 'off-the-shelf' product recommended to be used by the Home Office for this purpose, a national solution has not yet been identified and each VRU has had to adopt it's own approach to this data sharing challenge. No partner agency has a software tool which can merge data sets from multiple partners, and be accessed and used as an analytical tool by partner agencies. For example Cleveland Police use a system which is not accessible by external agencies as it holds operational, personal and sensitive data.

15.5 If further work is required, then a full procurement process will be conducted, however the initial requirement has been procured as an emergency as there is insufficient time to complete a full procurement within the Home Office timelines.

Appendix 2 –Procurement Performance

- The PCC has 312 live contracts
- In the Period September 2022 to January 2023, 46 of these contracts were extended
 - 4 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.
 - 4 were extended via an exception to contract standing orders and have been reported to the Audit Committee in the report submitted in March 23 and Appendix 1 of this report
- 19 Tenders or Further Competitions or direct awards were carried out during the period September 22 – December 22.

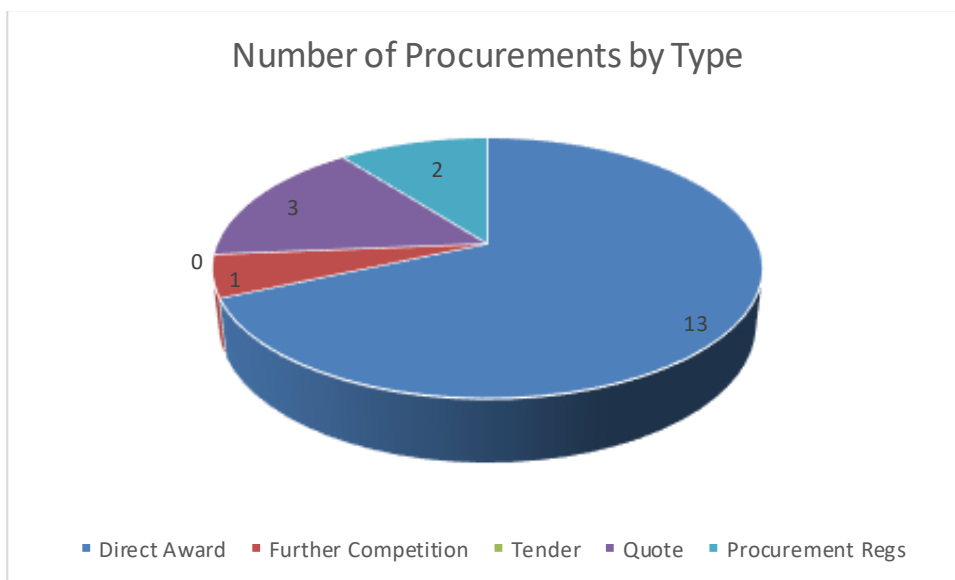


Chart 1 – Split of Procedure Type

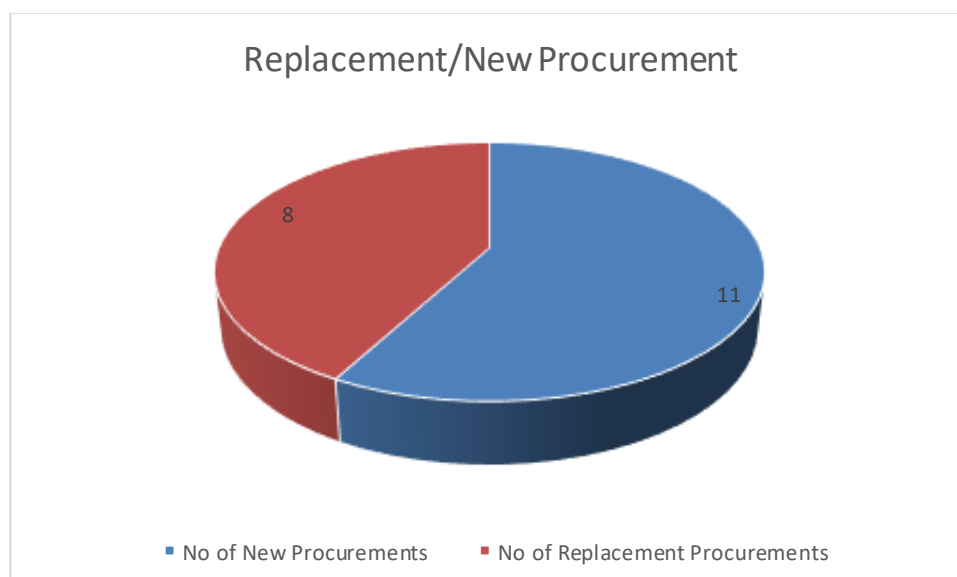


Chart 2 – Split of New Requirement/Re-Procure Existing Contract

Key Contracts Awarded

Title	Summary	Benefits
Research and evaluation Partner	CURV funding Research and Evaluation Partner	£10,863 of savings across the budget
Cleaning Services	New cleaning contract awarded	£175k of savings over the term of the contract saved through the removal of the additional covid cleans
Cleveland Acceleration programme	New service to assist Cleveland with their strategic direction.	Contract awarded to bring in consultancy to assess current position and then develop a plan including review of enabling services and demand etc to aid the route out of special measurs.

Savings

Procurement Savings Year to Date 2022/23 (April-December) are £113,886 or £1,855,766 which includes non-cashable and cost avoidance savings