



Report of the Chief Constable to the Chair and Members of the Audit Committee 26th September 2024

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 and the Procurement Activity and Performance during the period June 2024 to September 2024.

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. 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.

It should be noted that a number of other external factors have increased the volume and value of Exemptions throughout this reporting period. Namely these are:

- Higher levels of inflation, increasing supplier and supply chain costs
- Russia / Ukraine conflict increasing raw material costs across all sectors
- Cost of Living crisis affecting all market areas and increasing supplier and supply chain costs
- Wage increases contributing to additional financial pressures.

The Commissioning & Procurement Manager role was filled in October 2023 and will ensure robust oversight is maintained on the exemption process. Whilst it is a core approach of Procurement to minimise the number of exemptions used during Cleveland Police operations and to procure goods and services compliantly in line with regulations, it should be noted that financial pressures are expected to continue to increase.

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

It should be noted that the Procurement Function continues to operate with reduced staffing:

- 1 x 1FTE Category Lead
- 2 x 0.6FTE Category Lead
- 1 x 0.8 FTE Buyer & Fleet Assistant (junior role)

Managed by

- 1 x FTE (Commissioning & Procurement Manager)

This is compared to a full resourcing allocation of 3 x FTE Category Lead roles and 1 x 1 FTE Buyer & Fleet Assistant, which continues to have significant impacts on the ability to deliver effective Procurement of Goods and Services.

In addition, Cleveland Police has also taken on the responsibilities for a number of strategic contracts which historically sat with the OPCC. This has also increased the workload in Procurement.

Whilst recruitment is under-way for 1 current vacancy: 1 x Category Lead, to replace a pending retirement (expected vacancy advertising in September 2024) and 1 x Strategic Contracts & Commissioning Manager (2nd round of recruitment ended 02/09/2024)

This means the existing staff continue to work over-capacity to maintain Procurement activities.

Risks therefore continue to exist for staff health, welfare, and potential for stress related illnesses and staff leaving their jobs.



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.

Appendix 1: Exceptional Situations

Exceptional Situation – Proprietary Product

1. Annual Renewal of Map Information software at a cost of £12,125 from Contract Data Research Group.

- 1.1 Mapinfo software is used by the Intelligence Analyst to plot incident/crime locations on maps to enable staff to carry out their analysis. This is a continuation of an existing support contract so will enable continued support for the application and any upgrades in the next 12 months. There are also two noted licences for use by the GIS Manager and GIS developer.
- 1.2 This exemption was approved in March 2024.

2. Drug Drive Course Delivery and Training at a cost of £10,550 from TTC - Trusted, Training and Compliance.

- 2.1 Public Health have commissioned an initiative in relation to a pilot for a Drug Drive Course - the same concept as the current drink drive course. The pilot has involved the Department of Transport, Police, Public Health and TTC working together, led by a Project Manager to implement the process.
- 2.2 Therefore the only suppliers able to deliver the course are TTC- Trusted, Training Compliance.
- 2.3 The aim of the course is to divert and educate drivers away from drug use. There will then be an evaluation conducted which will hopefully, drive legislative change - bringing the course in line with the current drink drive course. Project Adder (Police) agreed that they would fund the evaluation stage
- 2.4 This exemption was approved in March 2024

3. Travel and Accommodation Booking at a cost of £145,000 from Click Travel

- 3.1 This is a continuation of the current contract and Click Travel is the only company who can provide this contract at this point in time.
- 3.2 These services were carried over from a previous contract. Due to capacity and resource limitations, a procurement exercise was unable to be undertaken, and so an exemption for 12 months was issued.
- 3.3 The exemption was approved in March 2024

4. General Duty Body Armour HG1A/KR1 at a cost of £73,527.30 from Mehler Vario Systems

- 4.1 Body Armour plates have a 10 year warranty and a number of sets of General Duty Body Armour now need to be replaced.

- 4.2 Blue Light Commercial (BLC) have issued a Framework Contract for the purchase of Body Armour, however there are issues with this Framework which are currently being discussed/resolved with BLC and the suppliers on this Framework.
- 4.3 Therefore at this time there is no contract available to use to purchase Body Armour. The Force have purchased Body Armour from Mehler Vario Systems for a number of years as the only supplier able to meet the requirements of the Force until there is a compliant Framework Contract to purchase from.
- 4.4 This exemption was approved in April 2024.

5. Annual Maintenance and Support of MapInfo Software at a cost of £12,225 from Contract Data Research Group Ltd.

- 5.1 Mapinfo software is used by the Intelligence Analyst to plot incident/crime locations on maps to enable staff to carry out their analysis.
- 5.2 This is a continuation of the requirement from an existing support contract and will enable continued support for the application and any upgrades in the next 12 months.
- 5.3 This exemption was approved in May 2024

6. Provision of Module Triple Meeting Booth at a cost of £14,501 from Agile Accoustics from T/A Wewow Ltd.

- 6.1 No other company can manufacture this modular Triple Booth, and this type of booth is the only one on the market which meets the Force requirements
- 6.2 This supplier is the only one who manufactures this kind of booth.
- 6.3 This booth will be used in the CJU Office as a meeting room
- 6.4 This exemption was approved in May 2024

7. Provision of Testing at a cost of £4000 from CACI Ltd

- 7.1 A requirement of our ISO 17025 accreditation is for us to participate in proficiency testing (PT). This PT is produced by an external company using mock case work and is sent to all participants. The purpose is to measure ur performance against other forces and prove that we are competent to work on live case work and will get accurate results.
- 7.2 Currently CACI are the only organisation in the world who are accredited to provide this service covering our scope of accreditation in mobile phones.
- 7.3 This exemption was approved in May 2024.

8. Provision of Greykey Forensic Software at a cost of £37,000 from GreyShift Ltd

- 8.1 Grayshift have been the supplier of forensic software to Cleveland Police for a number of years. They provide proprietary software for the extraction and password cracking of mobile phone (Specifically - A technique used for Apple devices) which can't be obtained from another provider. The software is used by other forces and those that don't end up outsourcing to those that do at significant financial costs.
- 8.2 Staff have undergone internal training courses, to be able to use the software correctly. The use of the software has been incorporated into documented procedures which is currently undergoing ISO accreditation.
- 8.3 The use of the requested software 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 other forces who possess the software will become unnecessary as the service will be just conducted in house creating financial savings.
- 8.4 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.
- 8.5 This exemption was approved in May 2024.

9. GEN 5 GLOCK 17 Self Loading Pistols at a cost of £143,271.64 from Viking Arms Ltd.

- 9.1 Viking Arms, are the Sole distributor of Glock weapons in the UK due to nature of the product.
- 9.2 This is direct replacement for the Glock 17 Gen 3 SLP's we currently have for operations and training, for both Cleveland Police and Durham Constabulary. The Current Gen 3 Fleet, are at end of Life and need replacing. The Gen 5 is the latest upto date version with modern sighting systems now widely adopted by many police forces in England and Wales.
- 9.3 The actual cost is shared 50% with Durham Constabulary who will be invoiced by CPA accounts department upon delivery.
- 9.4 This exemption was approved in June 2024.

10. Cellebrite Forensic Software at a cost of £6,160 from Cellebrite

- 10.1 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.

- 10.2 Staff have undergone bespoke training courses, both internal and external, to be able to use the software at considerable cost to the force. The use of the software has been incorporated into documented procedures which is currently undergoing ISO accreditation.
- 10.3 Failure to retain this software would have an impact on mobile phone examinations and information passed on to officers and add to further delays which would be a considerable risk to victims of crime.
- 10.4 This exemption was approved in June 2024.

11. Window Replacement at Eston Police Station at a cost of £13,220 from Frostree Windows

- 11.1 Frostree windows are installing the new windows in Hartlepool DIV HQ, we require to install new windows at Eston police station, due to the age and components require replacing.
- 11.2 This is an extension of a current compliant contract, meeting the requirements of the exemption process under PCR2015 Regulation 32
- 11.3 This exemption was approved in July 2024.

12. Penetration Testing at a cost of £15,500 from MTi Technology Limited

- 12.1 Contract CPC-0001846 IT Health Check (01/03/202 - 28/02/23) + 1 year extension was cancelled prior to commencing a tender exercise to find a new supplier. The tender process failed, exceeding budget. Unforeseen requirement for exemption then arose.
- 12.2 Work load demand pressures have not enabled another tender exercise in 2024 so exemption requested to meet security certification timescale requirement and prevent delay and loss of service.
- 12.3 This exemption was approved in July 2024.

13. Kennelling for Police Dogs at a cost of £12,000 from Yappy Nights

- 13.1 Following an incident in April 2023 at the kennel facility where Police Dogs were in situ emergency alternative accommodation was required at very short notice. Kennels for Operational Police Dogs are used for boarding when an Officer is on annual leave or on a course.
- 13.2 A long term solution needs to be sourced and funded for this provision however this is difficult as very few kennels will take Police Dogs.
- 13.3 There are only two suppliers able to accommodate the Force's operational requirements, and both suppliers are required to meet the Force's demand.
- 13.4 This exemption was approved in July 2024.

14. Kennelling for Police Dogs at a cost of £24,000 from Bartle Bridge

- 14.1 Following an incident in April 2023 at the kennel facility where Police Dogs were in situ emergency alternative accommodation was required at very short notice. Kennels for Operational Police Dogs are used for boarding when an Officer is on annual leave or on a course.
- 14.2 A long term solution needs to be sourced and funded for this provision however this is difficult as very few kennels will take Police Dogs.
- 14.3 There are only two suppliers able to accommodate the Force's operational requirements, and both suppliers are required to meet the Force's demand.
- 14.4 This exemption was approved in July 2024.

15. Case Management Software at a cost of £15,589.99 from WPC Software

- 15.1 This is an extension of a current contract, purchasing a continued subscription.
- 15.2 The software is required to provide continued use of a product used by Police Forces nationally
- 15.3 It is noted that this exemption should be the last as BlueLight Commercial are in the process of putting a compliant framework in place for this vetting system in the future.
- 15.4 This exemption was approved in August 2024.

16. Specialist Support Provision at a cost of £10,560 from Crest

- 16.1 There is a genuinely justifiable case to use an existing contract to maintain continuity of a capability essential to CURV. CURV invests in a number of pilot interventions with the aim of determining 'what works' in reducing serious violence.
- 16.2 These interventions require evaluation to support the gathering of evidence that helps justify further investment. CURV has two posts; The Analysis and Evaluation Manager and Evaluation Officer which would lead on this work but both of which are being gapped. The gapping of the two posts creates a gap in the team's ability to conduct this work which risks creating a loss in the ability of the team to adequately evaluate the interventions commissioned, and so this exemption seeks to provide additional/specialist support to the existing team members to ensure the work can be completed.
- 16.3 This exemption is to retain subject matter expertise as a continuation from a compliantly procured service.
- 16.4 Only Crest are in a position to be able to deliver the amended requirements and continue to meet the needs of the OPCC.

16.5 This meets the criteria for Modification of contracts during their term under PCR2015 Regulation 72 (b)(i)&(ii).

16.6 This exemption was approved in August 2024.

17. Student Officer Placements 2024-2025 at a cost of £48,000 from Teesside University

17.1 The Student Placement Officers will be based within the Scientific Support Unit (SSU). 3 of the placements will be CSI (crime Scene Investigator) and 1 will be based within the DFU (Digital Forensics Unit).

17.2 This forms part of a partnership Cleveland Police has with Teesside University, the Force provides valuable knowledge to students on the digital forensics course.

17.3 Teesside University is the only university within the area able to meet these Force demands.

17.4 Approved as an extension of existing supplies or installations where a change of supplier would oblige the contracting authority to acquire supplies having different technical characteristics which would result in incompatibility or disproportionate technical difficulties in operation and maintenance - meeting the requirements of PCR 2015 Regulation 32 (5) (b)

17.5 This exemption was approved in August 2024.

Exceptional Situation – Operational Emergency

18 Reactive Cleaning at a cost of £6,000 from AC Cleaning Services Ltd.

- 18.1 Due to the length of time to go through Tender process it has been recommended we extend service contract for twelve months.
- 18.2 Reactive cleaning is necessary in order to ensure that fleet vehicles are available for police use at all times.
- 18.3 This is required due to AC Cleaning being the only supplier able to meet our operational needs because of the type of cleaning necessary at this point in time.
- 18.4 This exemption was approved in March 2024.

19 Reactive Cleaning at a cost of £6,000 from Norton Cleaning Services Ltd

- 19.1 Due to the length of time to go through Tender process it has been recommended we extend service contract for twelve months.
- 19.2 Reactive cleaning is necessary in order to ensure that custody cells are available for police use at all times.
- 19.3 This is required due to Norton Cleaning Services being the only supplier able to meet our operational needs because of the type of cleaning necessary at this point in time. Also this is the only supplier who can meet our operational requirements such as call out times and turnaround times.
- 19.4 This exemption was approved in March 2024.

20 Drug Testing Process at a cost of £20,000 from Teesside University

- 20.1 As a result of the national, emerging issue of Nitazenes and other contaminated drugs, this is a public health issue and will assist in safeguarding our communities and specific groups of people within Cleveland.
- 20.2 Cleveland Police and the Local Authority don't currently have a formal process in relation to drug testing. Local drug testing, is not evidential and normal processes will continue in relation to forensic drug testing.
- 20.3 Teesside University will provide the service of testing a number of drug samples, over a 24 month period. This allows for a prompt response to current drug threats, building current drug market profile intelligence and will assist in deploying a multi-agency approach to public health issues in relation to contaminated drugs.
- 20.4 This exemption was approved in March 2024.

21 MERCEDES-BENZ A250 AMG LINE - REGISTRATION [REDACTED] at a cost of £27452.20 from VERTU MERCEDES-BENZ ASCOT

- 21.1 Fleet need to order this Mercedes-Benz vehicle second hand as this specification is no longer manufactured new. Equivalent new vehicles from other manufacturers are either far too expensive or will not be available in the next 6/12 months due to market conditions.
- 21.2 This vehicle is available now and at a competitive price (Vertu Mercedes-Benz Ascot). After Fleet Management have researched sourcing a suitable car from a Mercedes dealer nearer to the north east but nothing was available. This solution offers best value to meet the Force Operational requirements.
- 21.3 Vehicle is for the Organised Crime Unit to conduct covert operations.
- 21.4 This exemption was approved in April 2024.

22 NISSAN LEAF (Electric Vehicle) at a cost of £50,000 from Nissan UK

- 22.1 Nissan are currently offering significant discounts to police services wishing to procure Nissan Leaf vehicles. The vehicle is fully electric so contributes towards Cleveland Police's net zero target.
- 22.2 The vehicle is being offered at £14,300 - which is £8.7k cheaper per vehicle than buying a Peugeot e208 via the BLC national contract. It is intended to buy at least one vehicle whilst this offer lasts utilising existing budgets instead of the proposed Peugeot equivalent – achieving overall savings for the Force and facilitating research and benchmarking of suitable fleet.
- 22.3 Due to the timescale pressures, and capacity and resource pressures on the Procurement Team, an exemption was created to allow the purchase.
- 22.4 This exemption was approved in May 2024.

23 Emergency Traffic Management Equipment at a cost of £24,535.98 from Protec Signs

- 23.1 This equipment is required to meet legislative requirements.
- 23.2 This equipment is required to allow officers to work safely on the road network and to remain compliant with Health and Safety requirements.
- 23.3 This exemption was approved in July 2024.

24 Dog Kennel and Blue Light Vehicle Conversion at a cost of £42,000 from Victory Conversions

- 24.1 As part of the 2023/24 replacement vehicle capital programme Fleet ordered 3 x Volvo XC60 for dog section. These vehicles need a full dog kennel conversion carrying out. Fleet was offered a substantial discount on the first vehicle (£5k) if it was converted and then sent to NAPFM annual conference/exhibition where it was displayed on the converter's stand. All the blue light equipment was provided free of charge. The other two vehicles will be converted at Victory as well as it is cheaper and much quicker than using existing contracted converters. Overall the savings will be about £10k (£5k on first vehicle and £2.5k each on 2nd & 3rd vehicles). As soon as the vehicles are ready they will replace the old vehicles which are costing a lot of money on repairs, maintenance and disruption due to unavailability.
- 24.2 The vehicles are needed urgently particularly in view of the current public order situation in July 2024. There would be a long wait via the CCS conversion route. The company is known to Fleet and has carried out previous work to a good standard.
- 24.3 The vehicles were received in March 2023. As these form part of the 2023/24 programme they need converting asap as this will allow the old vehicles to be removed from service - there is a high cost to keep them roadworthy. By using Victory Conversions it can be done quicker and more cheaply than existing contracted converters and achieve increased value for money.
- 24.4 Authorised under the Operational Emergency route due to unforeseen circumstances arising from Public Order across Cleveland. This meets the requirements of PCR Regulation 32 (c)
- 24.5 This exemption was approved in August 2024.

Appendix 2 –Procurement Performance

- The PCC has 317 live contracts as of 06 September 2024
- In the Period March 2024 to September 2024, 115 of these contracts were due to end or be extended:
 - 50 were extended in line with annual renewal contract terms e.g. Software Licences / Maintenance subscriptions etc. **(28%)**
 - 6 were extended via an exception to contract standing orders outside of the scope of this report. **(3%)**
 - 16 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.* **(9%)**
 - 17 were contracted via Framework Agreements **(10%)**
 - 1 was awarded as a new Contract **(1%)**
 - 13 were terminated as no longer required. **(7%)**
 - 1 was novated to a new provider **(1%)**
 - 11 remain pending as of the date of this report Creation **(6%)**
 - 61 contracts have current agreements due to expire before the end of 2024 but fall outside the scope of this reporting period **(35%)**

Table 1: Pivot Table from Efficiencies Spreadsheet

Procurement Type	Count of Contract Number
Annual Renewal	50
Exemption	6
Extension	16
Framework	17
New Contract	1
Not Renewed	13
Novated	1
Pending	11
Out of Report Scope	61
Grand Total	176

Chart 1: Procurement Breakdown for Report Period

