

Report of the Chief Constable to the Chair and Members of the Audit Committee 10th March 2025

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 December 2024 to March 2025.

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.
- 2.3 It is recommended that the Audit Committee note the cessation of this report in its current form and the beginning of a new style of reporting as of the launch of the new Procurement Regulations on 24/02/2025, and as represented by an example future report template in Appendix 3.

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.
- 3.7 As of 24th February 2025, the Procurement Act 2023 (PA2023) went live and is supported by the Procurement Regulations 2024. Together, these take over from the previous Procurement and Contracting Regulations 2015, providing a new mechanism for contracting with suppliers outside of a competitive process.
- 3.8 The exceptional situations currently being detailed in this report will be replaced by a report on a new (and importantly, a compliant route to market) "Direct Awards in Special Cases" in line with Section 41 of PA2023.

4. Implications

4.1 Finance

It should be noted that a number of other external factors continue to increase the volume and value of Direct Awards in Special Cases throughout this reporting period. Namely these include:

- Increased inflation, raising supplier and supply chain costs
- The continued Russia / Ukraine conflict as well as continued conflict in the Middle East is increasing raw material costs across all sectors, with costs being pushed downstream to end users.
- Continued Political turmoil across Europe and in America impacting financial markets and international supply chains across all sectors
- Cost of Living crisis continuing to affect all market areas and increasing supplier and supply chain costs
- Changes in National Insurance, Minimum and Living Wage increases are affecting supplier costings on new contracts as the higher staffing costs are being passed on to Contracting Authorities by the Private Sector.

- Removal of barriers to the market for Small / Medium Enterprises.

Whilst it is a core approach of Procurement to test the market for the Goods, Services and Works used to support Cleveland Police operations and to procure goods and services compliantly in line with current regulations, it should be noted that financial pressures are expected to continue for the foreseeable future.

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

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

In this reporting period, there is a continued underutilisation of staffing FTE with a Vacant position existing for a Procurement Buyer role. There are ongoing discussions to determine how best to fill this capacity.

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.

A future risk has also been identified with another Procurement Category Lead planning their retirement for 31/03/2026. Mitigation approaches are underway to recruit a successor for this position.

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 and new Procurement legislation but represent the Force's ongoing commitment to greater efficiency and effectiveness.

Appendix 1: Exceptional Situations

Exceptional Situation – Proprietary Product

1. Subscription to the PDR System at a cost of £20,800 from Head-Light

- 1.1 The E-PDR system has been used successfully across force for a period of 5 years with significant data relating to talent development, performance management and pay progression awards embedding into it. As we are currently in the middle of a cycle until April 25 we need to have a system to capture our data until we are ready to meet with the procurement team and facilitate, at the appropriate, a procurement process to change providers.
- 1.2 The system is familiar and relations that have been built up with suppliers ensures that we can adapt the system, at an extra charge we are awaiting final numbers, to take into account forcewide change, for example the next iteration of the performance excellence approach which is creating talent development pools for promotion board processes in particular.
- 1.3 There has been significant joint work with the providers over the years to adapt/design the system to make it user friendly and adapt it to changing forcewide themes. The years of data embedded into the system is now being used to award pay increments and evidence collated by users is sometimes used for career development opportunities..
- 1.4 This exemption meets the requirements of PCR2015 regulation 32 (5)(b) - an extension of services is required 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.
- 1.5 This exemption was approved in December 2024.

2. 1 year OpenText licence renewal at a cost of £10,750 from OpenText Ltd.

- 2.1 OpenText have been the supplier of forensic software to Cleveland Police for over 10 years. They provide proprietary software for the acquisition and examination of computer devices which can't be obtained from another provider. The software is used by almost all Police forces in the UK.
- 2.2 Staff have undergone bespoke training courses, both internal and external, to be able to use the software at a cost to the force.
- 2.3 The use of the software has been incorporated into documented procedures which are currently accredited, changing this software would mean re accrediting procedures which would cause further costs.

- 2.4 Failure to renew the software would have an impact on the quality of computer device examinations and reports passed on to officers a considerable risk to victims of crime.
- 2.5 This exemption was approved as this requirement is for additional deliveries by the original supplier which are intended either as a partial replacement of supplies or installations or as the 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 of the previous works completed and therefore meets the needs of the Regulation 32 (5)(b)
- 2.6 This exemption was approved in January 2025

3. Continued Maintenance of Bespoke back Office software maintenance at a cost of £33,071 from Cleartone Telecomms Ltd.

- 3.1 The back office functionality of the server is provided and maintained by Cleartone, they provide the product and this is the maintenance contract for that product. The maintenance cannot be provided by any other supplier. For this contract to be provided by another supplier we would need to change the existing back office system that we use for management, audit and PNC capability of the whole ANPR system.
- 3.2 This exemption was approved under PCR2015 Reg 32 (5)(b) as a continuation of services from existing supplier is needed.
- 3.3 The exemption was approved in January 2025.

4. Annual EROS CORE Support Subscription at a cost of £12,217.45 from Cubic Transportation Systems Ltd.

- 4.1 Support & Maintenance has been provided on an annual basis for the EROS2 Enforcement Software since October 2021 and has been under £10k. The renewal for 25/26 has now exceeded the £10k limit (£12217.45), the supplier has provided details of the renewal cost it has been calculated and there is no room for manoeuvre on this cost for this year. As this is an annual support cost there is no other supplier to carry out this except the current supplier of the software.
- 4.2 This meets the requirements of PCR2015 Regulation 32 (5) (b) - for additional deliveries by the original supplier which are intended either as a partial replacement of supplies or installations or as the 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;
- 4.3 This exemption was approved in February 2025.

5. Annual subscription to the Centurion Software system at a cost of £34,788.80 from FIS Centurion Ltd.

- 5.1 This system is a system used by all forces nationally to record their complaints from the public. The system has all aspects of recording to allow us perform our day to day duties. This is the only approved system, and the only one of its kind available to us. The system holds all our current live complaints which cannot be lost, we use this for our day to day business. It is vital that this contract is renewed to ensure continuity of service for my department
- 5.2 This meets the requirements of PCR2015 Regulation 32 (5) (b) - for additional deliveries by the original supplier which are intended either as a partial replacement of supplies or installations or as the 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
- 5.3 This exemption was approved in February 2025.

6. Annual subscription to the Road Safety Support Software at a cost of £14,820 from RSS Ltd.

- 6.1 The force requires the RSS license, to access the services of Road Safety Support Organisation, This is a not for profit Organisation it is a one of the kind service in the UK, it offers:-
- Strategy
 - Road Collision & Casualty Data Analysis
 - Road Safety Media & Marketing
 - Speed Camera Enforcement Strategies
 - Safer Roads Operational Reviews
 - Road Safety Media Skills Training
 - Justice
 - Expert Witnesses & Expert Reports
 - Road Traffic Enforcement Legal Assistance
 - Speed Camera Laser Jammers
 - Forensic Video Analysis
 - Enforcement
 - Speed and Red Light Camera Support
 - Speed Camera Operator Accredited Awards
 - Road Signs & Traffic Regulations
 - Speed Camera Testing
 - Speed Camera and Technology Testing
 - Home Office Type Approval
 - Police Vehicle Speedometer Calibration
 - Speed Camera Verification Services
 - In-vehicle telematics calibration
 - What is ISO 17025 Accreditation,
 - CEU Staff use the services of the RSS on a near daily basis
 - Matrix, Collision Unit Officers & Force Can and do use RSS for advice in-relation to Fatal/Seracc RTC investigations.
 - Every UK force uses the services of the RSS Organisation
 - Cleveland Police could not get this service, Data or Information from any other Company or Organisation.

- 6.2 This meets the requirements of PCR2015 Regulation 32 (5) (b) - for additional deliveries by the original supplier which are intended either as a partial replacement of supplies or installations or as the 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.
- 6.3 This exemption was approved in February 2025

7. Annual subscription to QAS Name Tracer Pro v6 and Compass v6 from 1 April 2025 to 31 March 2026, at a cost of £46,020 from NEC Software Solutions UK Ltd.

- 7.1 At least five Force operational systems currently use either Compass and/or Experian QAS Name Tracer Pro application\data for local/national address and electoral roll information. These include STORM, Niche, iPatrol, iMap, ICE and the sharepoint Quick Address web application.
- 7.2 Compass is a proven NEC Software Solutions (formerly Northgate) gazetteer application which has been used successfully by the Force as their corporate gazetteer for over 20 years. Compass is used to manage and maintain address updates and interfaces with STORM and Niche.
- 7.3 The relationship between NEC and Experian is governed by a framework agreement. Within this agreement NEC are the sole resellers of Experian QAS products (NameTracer and Pro) where the products are sold in conjunction with NEC applications.
- 7.4 Under NSPIS which is included all police forces, Northgate negotiated a pricing structure with Experian QAS based on these volumes of transaction. Whilst not all police forces now have Northgate applications under NSPIS, the framework pricing has been continued for NEC when reselling to police forces.
- 7.5 To replace QAS data and Compass with an alternative product\application would on top of any replacement cost also incur substantial resource\development\migration costs and cause significant disruption to key Force systems.
- 7.6 This is therefore compliant with Regulation 32 5(b) of PCR2015 : for additional deliveries by the original supplier which are intended either as a partial replacement of supplies or installations or as the 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
- 7.7 This exemption was approved in February 2025

8. Renewal of Forensic Grading Software Licence, at a cost of £31,999.92 from Magnet Forensics (Trading as Griffeye Ltd.)

- 8.1 Magnet Forensics (Griffeye) have been a supplier of forensic software to Cleveland police for over 6 years. They provide proprietary software for the grading of illegal images and media analysis, this cant be obtained from another provider. This software is used by almost all police forces in the UK.
- 8.2 Griffeye is a nationally used piece of software that is the tool for ther grading of idcent and illegal media. The casefiles created in griffeye are heavily used in POLIT investigations and are required to examine the media graded as illegal. These casefiles once completed are also used in the upload to contribute to the national CAID database. Griffeye is also used in an accredited process so to remove this software would come at a great additional cost to the force for re-accreditation.
- 8.3 Staff have undergone bespoke training causes, both internal and external, to be able to use the software at a cost to the force.
- 8.4 The use of the software has been incorporated into documented procedures which are currently accredited, changing this software woud mean re accrediting procedures which would cause further costs.
- 8.5 Failure to renew the software would cause a inability to conduct POLIT investigations.
- 8.6 The product has risen in price since last year, although a large discount has been applied after negotiation however they are unable to provide the same as the previous year.
- 8.7 This is therefore compliant with Regulation 32 5(b) of PCR2015 : for additional deliveries by the original supplier which are intended either as a partial replacement of supplies or installations or as the 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
- 8.8 This exemption was approved in February 2025

9. Fire Extinguisher Servicing & Maintenance for 24 Months at a cost of £10,403.00 from Safe & Sure Fire Potection

- 9.1 Continued Servicing of Fire Extinguishers across the estate in line with Statutory requierements.
- 9.2 In order to comply with Health & safety regulations across the force, a provider is required to service and maintain the Fire extinguishers across all sites. Historical estate and technical knowledge with records are maintained by the current

supplier with no other companies able to deliver the same service, and so a continued agreement on favourable terms will allow Estates time to map out future requirements across the force and enable a procurement exercise to be carried out.

9.3 This is therefore compliant with Regulation 32 5(b) of PCR2015 : for additional deliveries by the original supplier which are intended either as a partial replacement of supplies or installations or as the 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

9.4 This exemption was approved in February 2025

Addendum:

- This exemption is the last to be approved under PCR2015 Regulations.
- Future requirements will be covered under the Procurement Act 2023 and Procurement Regulations 2024 "Direct Award in Special Cases" provisions.

Exceptional Situation – Operational Emergency

No Exemptions under this provision within the reporting period.

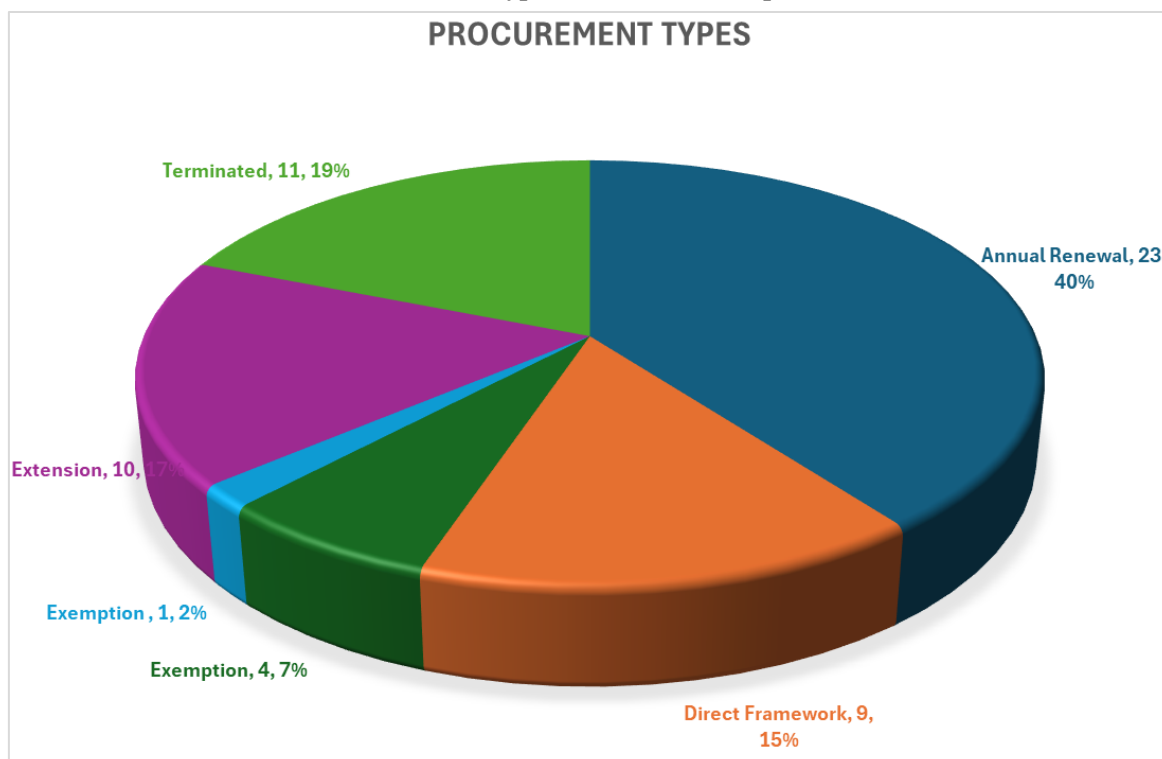
Appendix 2 –Procurement Performance

- The PCC has 318 live contracts as of 10/03/2025
- In the Period December 2024 to March 2024, 58 of these contracts were due to end or be extended:
 - 23 were extended in line with annual renewal contract terms e.g. Software Licences / Maintenance subscriptions etc. **(40%)**
 - 5 were extended via an exception to contract standing orders outside of the scope of this report. (proprietary = 4 / Operational Emergency = 1) **(9%)**
 - 10 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.* **(17%)**
 - 9 were contracted via Framework Agreements **(16%)**
 - 11 were terminated as no longer required. **(19%)**

Table 1: Pivot Table from Renewals Spreadsheet:

Procurement Type	Count of Contract Number	%
Annual Renewal	23	40%
Direct Framework	9	16%
Exemption	4	7%
Exemption	1	2%
Extension	10	17%
Terminated	11	19%
Grand Total	58	100%

Chart 1: Procurement Type Breakdown for Report Period



Appendix 3 – Future Report Template

Report of the Chief Constable to the Chair and Members of the Audit Committee XXth [Month] 20XX

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".
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2. Recommendations

- 2.1 It is recommended that the Audit Committee note the Direct Award in Special Cases 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

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contributions to national bodies supplying services to police forces either individually or as a “community of interest”.

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- 3.7 As of 24th February 2025, the Procurement Act 2023 (PA2023) went live and is supported by the Procurement Regulations 2024. Together, these take over from the previous Procurement and Contracting Regulations 2015, providing a new mechanism for contracting with suppliers outside of a competitive process.
- 3.8 Under the Procurement Act 2023 Section 41: “Direct Awards in Special Cases” and in compliance with Section 5 there are a range of justifications for awarding a public contract directly to a supplier without completing a competitive exercise. These are:
- 3.8.1 Prototypes and Development
 - 3.8.2 Single Suppliers**
 - 3.8.3 Additional or Repeat Goods, Services or Works**
 - 3.8.4 Commodities
 - 3.8.5 Advantageous Terms on Insolvency
 - 3.8.6 Urgency**
 - 3.8.7 User Choice Contracts
 - 3.8.8 Defence and Security
- 3.8.9 Whilst all the justifications listed above may facilitate a compliant contract under Procurement regulations, those which are the most likely to be utilised by the Office of the Police & Crime Commissioner for Cleveland are shown in **Bold**.

4. Implications

4.1 Finance

It should be noted that a number of other external factors continue to increase the volume and value of Direct Awards in Special Cases throughout this reporting period. Namely these include:

- Increased inflation, raising supplier and supply chain costs

- The continued Russia / Ukraine conflict as well as continued conflict in the Middle East is increasing raw material costs across all sectors, with costs being pushed downstream to end users.
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4.5 Sustainability

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4.6 Risk

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

In this reporting period, there is a continued underutilisation of staffing FTE with a Vacant position existing for a Procurement Buyer role. There are ongoing discussions to determine how best to fill this capacity.

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

A future risk has also been identified with another Procurement Category Lead planning their retirement for 31/03/2026. Mitigation approaches are underway to recruit a successor for this position.

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 and new Procurement legislation but represent the Force's ongoing commitment to greater efficiency and effectiveness.

6. Example Appendix 1

- 6.1 The following Appendix 1 is a proposed example of what Appendix 1 will contain, using replicated data from the March 2025 Exemptions Report
- 6.2 Where changes in content from the existing Appendix 1 information arise, these are highlighted for convenience.

Appendix 1: Direct Award In Special Cases

1. Subscription to the PDR System at a cost of £20,800 from Head-Light

- 1.1 The E-PDR system has been used successfully across force for a period of 5 years with significant data relating to talent development, performance management and pay progression awards embedding into it. As we are currently in the middle of a cycle until April 25 we need to have a system to capture our data until we are ready to meet with the procurement team and facilitate, at the appropriate, a procurement process to change providers.
- 1.2 The system is familiar and relations that have been built up with suppliers ensures that we can adapt the system, at an extra charge we are awaiting final numbers, to take into account forcewide change, for example the next iteration of the performance excellence approach which is creating talent development pools for promotion board processes in particular.
- 1.3 There has been significant joint work with the providers over the years to adapt/design the system to make it user friendly and adapt it to changing forcewide themes. The years of data embedded into the system is now being used to award pay increments and evidence collated by users is sometimes used for career development opportunities..
- 1.4 This meets the justifications set out in PA2023 Section 41 and Schedule 5 (7) - *The public contract concerns the supply of goods, services or works by the existing supplier which are intended as an extension to, or partial replacement of, existing goods, services or works in circumstances where—*
 - (a) a change in supplier would result in the contracting authority receiving goods, services or works that are different from, or incompatible with, the existing goods, services or works, and*
 - (b) the difference or incompatibility would result in disproportionate technical difficulties in operation or maintenance.*
- 1.5 This exemption was approved in [Month] [Year]

Appendix 2 –Procurement Performance

Appendix 2 will contain the same information as currently provided