Report of the Chief Constable to the Chair and Members of the Audit Committee
08th September 2026

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 utilising the Direct Award route to market during the period March 2026 to September 2026.

2. Recommendations

2.1 It is recommended that the Audit Committee note the Direct Awards in Appendix 1 covering:

- 2.1.1 Direct Awards in Special Cases
- 2.1.2 Direct Awards to Protect Life, etc.
- 2.1.3 Switching to Direct Awards

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 On the 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 Sections 41 to 43, supported by Schedule 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

3.9 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.**

3.10 The Cleveland Police Procurement Team uses the Direct Award (Single Tender Award) Justification Report Template created by BlueLight Commercial as best practice for each instance of a Direct Award being completed.

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 conflicts across the world are increasing raw material costs across all sectors, with costs being pushed downstream to end users.

- Continued Political turmoil both domestically and internationally continues to impact 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
- Removal of barriers to the market for Small / Medium Enterprises as required by the new Procurement Act 2023.

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 Ethical Considerations

There are no Ethical implications arising from the content of this report.

4.7 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 and 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 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: Direct Award in Special Cases

1. **Provision of Specialist Complaint Reviews at a cost of £16,000 from Sancus Operations Ltd.**

1.1 Complaint Reviews are the responsibility of the Local Policing Body, in this case the Office of the Police and Crime Commissioner for Cleveland. Local policing bodies must conduct complaint reviews because the Police Reform Act 2002, as updated by the Policing and Crime Act 2017, legally requires it, and the Police (Complaints and Misconduct) Regulations 2020 define how that duty works in practice.

1.2 A company called Sancus Operations Ltd were the only company with the specialist skills to be able to provide an independent review service. They charge a fee for each review and invoice each month. Other OPCCs use the services of Sancus to undertake their reviews.

1.3 The following Justification therefore applies to this Direct Award:

6 The following conditions are met in relation to the public contract—

(a) due to an absence of competition for technical reasons, only a particular supplier can supply the goods, services or works required,

and

(b) there are no reasonable alternatives to those goods, services or works.

1.4 This DASC was approved in March 2026

2. **An unmarked Police Fleet vehicle for the Community Drugs Team at a cost of £23,999.00 from** [redacted]

2.1 A precise make/model vehicle, [redacted] SUV is required for use by the force community drugs enforcement team. The vehicle will add to their current vehicles profile and value to their discreet working role within the county and beyond. It replaces an end of life currently being used.

2.2 The budget for this purchase forms part of the fleet capital refresh programme for FY 25-26, the vehicle is a used vehicle and comes within the threshold of the budget applied to this purchase. Purchase price is £23,999.00

2.3 The precise vehicle specification, used, that has been requested cannot be sourced directly though the national procurement framework. In addition, there is currently no contract in place that would allow for the purchase of second-hand vehicles though existing arrangements.

2.4 To address this, the local main [redacted] dealership, [redacted], Middlesbrough confirmed that they have access to a pipeline of second-hand [redacted] vehicles that match the required organisational need. These vehicles can be supplied with all the required specifications.

2.5 Delivery and availability are expected immediately, ensuring that the vehicle will be ready for use straight away, thereby releasing the current end of life vehicle for disposal.

2.6 The following Justification therefore applies to this Direct Award:

6 The following conditions are met in relation to the public contract—

(a)due to an absence of competition for technical reasons, only a particular supplier can supply the goods, services or works required,

and

(b)there are no reasonable alternatives to those goods, services or works.

2.7 This DASC was approved in May 2026.

3. An unmarked Police Fleet vehicle for the Organised Crime Unit at a cost of £24,624 from Wessex Garages, Newport

3.1 A new fleet vehicle is required for Cleveland Police Organised Crime Unit to replace an end-of-life vehicle from their existing fleet. The Organised Crime Unit have a unique vehicle fleet requirement, they must have a varied profile of vehicles, colours, makes, models etc in order to maintain their covert status.

3.2 The vehicle subject to this direct award is a used [redacted] vehicle, OCU currently do not have such a vehicle on their fleet and has been specifically identified to enhance their current fleet for operational efficiency. The vehicle cannot be purchased from the national procurement framework as the model is no longer manufactured. Purchase price is £24,624.00 and is a used vehicle, it falls within the allocated budget for the purchase of a replacement vehicle for the capital refresh cycle for 2025-2026.

3.3 The vehicle has been sourced from a [redacted] approved National franchised dealership and comes with a 7yrs manufacturer's warranty. Subject to approval, the vehicle will be collected by officers from OCU directly. The vehicle will require bespoke, covert conversion in order to become operational, the costs of this will be met by the fleet budget.

3.4 The following Justification therefore applies to this Direct Award:

6 The following conditions are met in relation to the public contract—

(a)due to an absence of competition for technical reasons, only a particular supplier can supply the goods, services or works required,

and

(b)there are no reasonable alternatives to those goods, services or works.

3.5 This DASC was approved in May 2026.

4. Graykey Software Licence at a cost of £65,043.60 from Magnet Forensic

4.1 Magnet Forensics are a forensic software and hardware company that provide us already with proprietary products that are their own intellectual property. In this instance we are needing to renew a software licence which is one of their proprietary products to allow us to continue to access locked mobile devices and to extract mobile exhibits which assists with the investigation of crime.

4.2 Therefore the following Justification applies:

6 The following conditions are met in relation to the public contract—

(a)due to an absence of competition for technical reasons, only a particular supplier can supply the goods, services or works required,

and

(b)there are no reasonable alternatives to those goods, services or works.

4.3 This DASC was approved in June 2026.

5. SARC Refurbishment building works with Maval Electrical & Mechanical Engineering Co. Ltd at a cost of £257,622.95

5.1 The Forensic Science Regulator (FSR) has established a new Code of Practice which mandates that all SARCs must achieve UKAS accreditation to ISO 15189:2022 by 02/10/2025. This is to ensure that all SARCs operate to a consistently high standard, achieving the best quality, forensic evidence and provide the best possible outcomes for patients.

5.2 To achieve accreditation, SARC sites must be suitable and comply with the accreditation standards, including changes to buildings as laid out in the Forensic Science Guidance for SARCs. A gap analysis has been carried out to identify the changes required to the SARC site to ensure it meets the requirements of the standard.

5.3 To date no SARC has been granted accreditation, although the service provider for Cleveland, Mountain Health Care (MHC) has been recommended for accreditation, which should be processed in early 2026. Each of the SARC sites ran by MHC are to be assessed independently and Cleveland is scheduled for assessment in May 2026.

5.4 The building works need to be completed in conjunction with the renewal of the lease to ensure that the investment in the works is sustainable for the future. A number of options were put forward by the Landlord (Assura PLC) and the preferred option was to extend the lease by a further 10 years at the end of the lease term in 2027. The award of this contract is dependent on signing the lease renewal and granting of a Licence to Alter from Assura PLC.

5.5 The urgency of the request relates to the fact that the deadline for achieving accreditation has now passed and to maintain integrity, the SARC needs to

demonstrate continued progress against achieving the standard. The supplier has written the specification for the electrical and mechanical works and agreed to use contractors who are preapproved for vetting, which will minimise the impact on timescales.

5.6 Therefore, the following Justification applies to this Direct Award:

Urgency
13 Where—

(a) the goods, services or works to be supplied under the public contract are strictly necessary for reasons of extreme and unavoidable urgency, and

(b) as a result the public contract cannot be awarded on the basis of a competitive tendering procedure.

Commencement Information

14 For the purpose of paragraph 13, urgency is unavoidable if it—

(a) is not attributable to any act or omission of the contracting authority, and

(b) could not have been foreseen by the contracting authority.

5.7 This DASC was approved in July 2026.