**Report of the Chief Constable to the Chair and Members of the Audit Committee**

**28 February 2019**

**Executive and Presenting Officer: Mrs Joanne Gleeson, Chief Finance Officers**

**Status: For Information**

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

1. **Purpose**  
   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 July 2018 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”.
   2. The purpose of this report is to advise the Audit Committee on the use of Contract Standing Order 10 during the period July 2018 to January 2019 and the Procurement Activity and Performance during the period July 2018 to January 2019.
2. **Recommendations**  
   1. It is recommended that the Audit Committee note the exceptional situations detailed in Appendix 1.
   2. It is recommended that the Audit Committee note the Procurement Activity and Performance of the Procurement function detailed in Appendix 2.
3. **Background**  
   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.
   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. 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”.
   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”.
   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 February and July of each year. The details of exceptional circumstances for this reporting period are listed in Appendix 1.
   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**  
   1. Finance  
      All commitments are within existing budgets.  
        
      Procurement Savings for the period July 2018 to January 2019 are £72,333.63.
   2. Legal  
      Any requests to utilise Contract Standing Order 10 which involve a new supplier terms and conditions are discussed and agreed with Legal Services. There are no legal implications arising from the content of this report.
   3. Diversity and Equal Opportunities  
      There are no diversity or equal opportunities implications arising from the content of this report.
   4. Human Rights Act  
      There are no Human Rights Act implications arising from the content of this report.
   5. Sustainability  
      There are no sustainability implications arising from the content of this report.
   6. Risks  
      There are no risk implications arising from the content of this report.
5. **Conclusions**  
   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

**Appendix 1**

**Exceptional Situation – Proprietary Product**

1. **Purchase of 140 Helmet Cargo Packs for CDSOU at a cost of £13,470.80 from UK Tactical**  
   1. The Helmet Cargo Pack is a specially designed rucksack which enables officers to carry ballistic helmets in an easily accessible storage area. In addition is has a small compact easily deployable rucksack which is sufficient to carry essential operational kit.
   2. The ability to provide officers with a compact portable means of carrying essential items whilst away from their operating base/vehicle for prolonged periods of time, therefore reducing the need to return to these areas which may be impractical.
   3. The Cargo Pack is a proprietary product and its sole UK distributor is UK Tactical Prices were negotiated and a saving of £2,857.40 was achieved.
2. **Annual Subscription for Kinesense Video Investigation Software for Historical Investigation Unit (HIU) at a cost of £11,000 from Kinesense**  
   1. The Historical Investigation Unit commenced a proof of concept trial on the KineSense product earlier this year. The product allows CCTV to be viewed and prepared for evidence.
   2. A business case has been submitted for the purchase of alternative solutions. A procurement exercise will take place during Q4 of 2018/19, however in order to complete work already started and continue to access evidence processed a fully licenced version is required until such time as a formal procurement exercise can be conducted to establish a solution moving forward.
   3. KineSense is the sole provider of the fully licenced version of their product and therefore this is proprietary.
3. **Support and Maintenance for iShareGIS Open Enterprise Agreement for ICT at a cost of £13,550 from Astun Technology for 1 months**  
   1. iMap is a bespoke web mapping application developed by Astun Technology and is used extensively in Neighbourhood Policing Teams to self brief and maintain an up to date understanding of crime and incidents within their geographic area of responsbility.
   2. In order to ensure continued support and upgrades to the system, annual support and maintenance is required. This can only be provided by Astun Technology as the owners of the product and is therfore proprietary.
4. **Purchase of addition 3 UFED Licences by Crime and Justice from Cellebrite at a cost of £23,400**  
   1. UFED Licences provides the force with software/equipment tools to forensically examine smart phones/tablets. Without this software the result would be the requirement for the Force to send these devices to private forensic laboratories at significantly higher costs.
   2. This software along with the other tool used in force is only one of two tools recognised by ACPO and the College of Policing, and each tool provides differing extraction availability (no one piece of software will extract data from all known devices)..
   3. Cellebrite have improved therir product over the last 6 months and therefore provides increased functionality for searching and verification compared to the other tool used in force.
   4. These changes have meant that the UFED licence has become the primary mobile forensic tool used by the force. Funding was provided to purchase additional licences to increase capability in the team and manage increased workload.
   5. Cellebrite are the sole provider for these licences and therefore this is proprietary.
5. **Annual maintenance of Viewstations for Crime and Justice from Matek Business Media at a cost of £18,712 for 12 months**  
   1. The View Stations enables decoding of CCTV for evidential product recovered from business/retail/residential systems and provides copying in a viewable format for use in investigations and ultimately presentation in court.
   2. Annual Maintenance is required to ensure that codecs are updated to allow continued decoding of CCTV. Matek Business Media as the providers of the terminals are the sole provider of the maintenance and therefore this is proprietary.
   3. A business case has been submitted for the purchase of alternative solutions. A procurement exercise will take place during Q4 of 2018/19, however in order to ensure continuity annual support is required for the existing system.
6. **Annual support and maintenance of Pegasus for ICT from ABM at a cost of £18,090.92 for 12 months**  
   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).
   2. In order to ensure an operational system has on-going support and maintenance a renewal of this agreement is required.
   3. ABM is the sole provider of Pegasus and therefore this is proprietary.
7. **Upgrade of the Legal Case Management System for Legal Services from Lexis Nexis at a cost of £27,550**  
   1. The current version of the Legal Services Case Management system is end of life and will no longer be supported by the provider. The product is capable of an upgrade under the current contractual terms to the new version of the software.
   2. The upgraded system provides interoperability with current coding and data and with the others within the Evolve Legal Team.
   3. The upgrade is proprietary as this is the only provider of this solution and will take place under the existing contract. A 12 month extension to the contract rather than a 3 year contract which is usually taken has been requested due to the on-going collaboration review with Durham and North Yorkshire which contracts across all three forces will be consolidated.
8. **Services of Recruitment Agency to recruit 11 Police Staff Investigators (PSI’s) for Historical Investigation Unit (HIU) at a cost of £49,500 from Redsnapper**  
   1. The Force has continually advertised for PSI’s since January 2018 to help resolve outstanding issues with the HIU. Due to a national shortage of qualified detectives and the volume of applicants versus the number of applicants appointed to date, the Force approached the Home Office to request utilising the funding provided by them to procure a recruitment agency to source the individuals.
   2. Redsnapper is the recommended Home Office recruitment agency which specialises in PSI recruitment.
9. **Purchase of consultancy and a publisher licence for GIS by ICT at a cost of £20,000 from Astun Technology**  
   1. iMap is a bespoke web mapping application developed by Astun Technology and is used extensively in Neighbourhood Policing Teams to self brief and maintain an upto date understanding of crime and incidents within their geographic area of responsbility.
   2. The iShare suite of products is the modular application infrastructure behind the IMap mapping tool and will be used to intergrate the current intranet briefing system to create an intelligence briefing system to aid operational teams.
   3. This can only be provided by Astun Technology as the owners of the product and is therefore proprietary.
10. **Purchase of Psychological Screening Programme by People Services at a cost of £46,100 for 3 years from NTA**  
    1. As part of the investment into Wellbeing, a review of psychological screening has taken place. Previously screening took place face to face with a clincial psychologist which was not cost effective and did not meet the needs of the organisation.
    2. It has been recognised that some roles within the organisation carry a higher level of risk to mental health. A number of Forces across the country have utilised the unique services of NTA which is the only programme of its kind, providing screening tools to reduce the need of face to face discussions to ensure all officers and staff receive help and support when they need it.
    3. The service provided is the only one of its kind and is proprietary.
11. **Purchase of additional module to 4Risk system for Corporate Services at a cost of £13,000 for 3 years from RSM UK**  
    1. The Force has utilised the 4 Risk system for recording risks and mitigation for 10 years. The system has been used successfully and is fully embedded into the orgnaisation.
    2. In order to enhance the services on accountability for delivery of actions and to improve performance, HMICFRS compliance and strategic projects an additional module has been purchased.
    3. The 4action module complements the existing system and is a proprietary system.

**Exception Situation – Operational Emergency**

1. **Renewal of the Support and Maintenance for Radio Recording System and Ambient Listening for ICT at a cost of £20,552.82 for 12 months from Weston Digital**  
   1. There has been a contract in place with Weston Digital since 2004 for the provision and support and maintenance of voice recording. The system records all radio transmissions and telephone calls to the control room and is essential to enable copies of recording to be made for evidential purposes.
   2. As part of the ICCS project, Redbox licences were purchased as a replacement to the voice recording solution with Weston Digital, however it has been established that the Redbox solution is not suitable for radio recordings due to the difficulty in being able to locate and recall radio traffic within the solution.
   3. A decision has been made to continue to use the Weston Digital solution for radio recordings as the infratsructure is already in place and will continue to be used as part of the ambient listening solution within the CSU and is therefore proprietary. The Redbox solution will be used for telephony.
2. **Purchase of Firearms Body Armour for CDSOU at a cost of £78,809.50 from Mehler**  
   1. The National Body Armour Contract expired in 2016 and a decision has been made that it will not be retendered as all future body armour should be procured through the National Uniform Managed Service (NUMS).
   2. Prior to the end of the Framework investigations were made to purchase body armour through NUMS however the armour currently in use by Cleveland would not be provisioned for under NUMS. Prior to the end of the framework the College of Applied Science and Technology (CAST) announced that they were reviewing the standards for body armour, therefore until the review had been conducted and a new standard of armour is available it is not practical to introduce another armour type into Force.
   3. As a result Cleveland Police in line with the framework terms raised a blanket order to cover their body armour needs for the next 12 months until the new standards were due to become available. The blanket order was utilised for some new firearms recruits.
3. **Purchase of consultancy for ICT at a cost of £13,200 from Bluesource Professional Services**  
   1. The support for the end of life Microsoft Windows 7 has been known for some time and planning to migrate to Windows 10 is in progress.
   2. The need to complete the essential pre-requisite work has become urgent due to the national shortage of hardware which will run on Windows 7.
   3. The first pre-requisite is a PKI (Public Key Infrastructure) upgrade. This is a set of roles, policies and procedures needed to create, manage, distribute, use, store and revoke digital certificates. The use of an external supplier will reduce the timescales and risk with this work, however in order to meet the requirements of the Agile project and the shortage of windows 7 devices there is no time to run a formal procurement exercise. The proposed contractor has prior experience working in the organisation and carrying out PKI work in other Forces.
4. **Provision of Corporate UK Phonebook for ICT at a cost of £14,100 from Siminuix**  
   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.
   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.
   3. UK Phonebook previously could only be provided by Siminuix and therefore was proprietary; however we have become aware of other providers in the market. Unfortunately there was insufficient time to run a procurement exercise, therefore it is necessary to renew licences urgently with a procurement exercise planned in advance of the next renewal.

**Appendix 2**

**Procurement Performance**

* The PCC has 280 live contracts.
* In the period July 2018 to January 2019, 47 of these contracts were extended:
  + 41 were extended in line with the contract term eg if a contract was awarded as a 3 year contract with an option to extend for two further 12 month periods.
  + 6 were extended via an exception to contract standing orders and have been reported to the Audit Committee in the report submitted in February 2019 and Appendix 1 of this report.
* 29 tenders or further competitions were carried out during the period July 2018 – January 2019 (3 still in progress).
  + 1 contract was awarded via Direct Award under the Exemption Process and reported to the Audit Committee in February 2019 and Appendix 1 of this report.
  + 1 contract was awarded via Direct Award and a report submitted to the PCC for approval under a negotiated procedure without a call for competition.

Chart 1 – Split of Procedure Type

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

Key contracts awarded

|  |  |  |
| --- | --- | --- |
| **Title** | **Summary** | **Benefits** |
| Vehicle Maintenance Contracts | Contracts for repair and maintenance of Police vehicles | Awarded to local small to medium enterprises |
| Cloud Based PDR System | PDR system to support values agenda | Improvement of staff development to be aligned with Force values |
| Cycle to Work | Cycle to work salary sacrifice scheme | Award of contract to deliver cycle to work staff benefit scheme |
| Laptops and Smart Phones | Purchase of laptops and smart phones | Support the Force Agile programme |

Savings

During the period July 2018 to January 2019, £72,333.63 of savings have been recorded.