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**Procurement Peer Review**

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**Contents**

1. Introduction
2. Methodology and Context
3. Observations
4. Recommendations
5. Conclusion
6. **Introduction**

This Procurement Peer Review has been commissioned by Cleveland Police to assess core areas of the Cleveland Police Procurement Strategy 2017 – 2022 and associated operational procedures. The review seeks to determine the robustness of supplier capability and ability to ensure that equality performance information and supporting evidence provided by suppliers demonstrates compliance with the Equality Act 2010. Through this review of contract specification and contract management procedures, the aim is to identify mechanisms to build in equality and diversity considerations, where appropriate, into contract specifications and subsequent terms and conditions. The review seeks to understand the current capability of the Procurement Team to confirm compliance with Equality and Diversity standards throughout the contract management lifecycle including setting and managing appropriate key performance indications particularly where third-party suppliers supply personnel to work on the Cleveland Police estate.

1. **Methodology and Context**

The approach used to complete the review has included a desk top exercise review and evaluation of key documents with focus on the current Cleveland Police Procurement Strategy 2017 – 2022 and associated procurement procedures. The review forms part of the action plan for the Everyone Matters Equality and Human Rights Strategy 2017 – 2020 and is linked to Strategic Theme Area 3 Organisational Processes. Interviews with all members of the Cleveland Police Procurement Team were undertaken both in-person and by telephone, together with interviews with the Office of the Police and Crime Commissioners Strategic Contracts Manager and two current suppliers. A small sample of contracts were randomly selected to assess compliance with current equality legislation and relevant guidance from the Equality and Human Rights Commission, the National Audit Office and The College of Policing Competency Values Framework for Policing. This report seeks to provide an overview of the current procurement processes to identify strengths and areas for improvement and will include an objective assessment and observations on relevant practices and recommendations to support the vision of both the Police and Crime Commissioner and Chief Constable’s vision for Transforming Cleveland.

1. **Observations**

The Cleveland Police Procurement Team is currently based at the Community Safety Hub at Hemlington following a recent move from the former Police Headquarters at Ladgate Lane. The Head of Procurement and Fleet is supported by a team of two Category leaders and a Junior Buyer. The Head of Procurement and Fleet and two Category Leaders holds Chartered Institute of Procurement and Supply status and the Junior Buyer holds level three procurement qualification and is working towards Level 4. All team members are permanent employees and have worked for Cleveland Police for some time, which provides continuity and has enabled the team to develop their level of expertise and experience.

The team manage a wide range of procurement activities covering the entire contract management lifecycle from initial requirements through to contract management and renewal where appropriate.

There can be between 300-400 contracts at various lifecycle stages at any one time. The main technology supporting the contract management is the Contract Register which is a Microsoft Excel based spreadsheet and a third-party software solution ‘Oracle’, which was purchased and introduced by Sopra Steria to facilitate the purchasing, and invoicing functions of the organisation. Contract types range from uniform and estates to custodial contracts.

Current documentation used for Pre-Qualification and Invitation to Tender is based on National Government Mandatory standard templates; these have been in use for some time and although they do not reflect all nine protected characteristics, which came into force with the introduction of the Equality Act 2010, these are mandatory questions set by government. This documentation is currently being reviewed by the Head of Procurement and Fleet.

The Contract Register relies on manual interrogation and review.

Contracts are shared electronically between the Procurement Team Legal Team, and the supplier via e-mail. Due to limited storage space and the high-risk nature of storing commercially sensitive information on site, physical copies of contract are stored by Legal Service off-site by a third party provider.

The Oracle system provides the ability to authorise purchasing to agreed level, however it does not link to the contract management system or provide any automated contract management functions.

The Head of Procurement and Fleet has a dedicated one to one meeting schedule with the team members which includes a review of contracts to identify the stages they are at and required actions. Fortnightly meetings take place between the Chief Finance Officer and the Head of Procurement and Fleet. The Head of Procurement and Fleet meets with the Office of the Police and Crime Commissioner weekly to review higher level spend within the overall contract management process and obtain contract signatures Monthly contract meetings are held with suppliers of high value, high-risk contracts, an example of which includes the Cleaning Contract which has staff based at Cleveland premises

From the evidence reviewed and through the interview process it is evident that the Procurement Team have a strong focus on the front end of the procurement cycle.

This development of contract requirements involves specialists from the relevant operational units to assist with the requirements specification. There is a clear and robust governance structure which includes frequent communication with the Office of the Police and Crime Commissioner and there are differentiated levels of authority for contracts ranging from small one-off purchases through to very large value framework agreements.

Without exception all members of the Procurement Team recognise and acknowledge limitations around the on-going contract management processes. The main issue highlighted is lack of time and resources to undertake more thorough and detailed contract management to ensure compliance with equality legislation and other relevant considerations.

The Procurement Team have good relationships with suppliers. The suppliers interviewed indicated that the procurement process including use of the Blue Light Procurement Portal, was straightforward, the specification and documentation guidance is clear and easy to follow, and the Procurement Team were quick to respond to questions throughout the procurement process, giving clear and concise answers.

The Procurement Team are proactive in responding to issues flagged up by operational units and suppliers. An example given includes an employee from a supplier working on-site had demonstrated behaviours that were not in keeping of with the behaviours expected of Cleveland Police employees. The Procurement Team highlighted the issues to the supplier and Cleveland Police requested that Equality and Diversity training be delivered to the person concerned and ensured that this was completed.

All front-line personnel have direct access to the purchasing catalogue with autonomy to purchase within agreed levels of spend subject to the specific areas budget holder’s approval. Lack of knowledge and understanding of the correct procurement procedures can result in members of the procurement team taking additional time to support colleagues to ensure they understand correct purchasing procedures which can have a negative impact on the time available for the team to focus on their specific designated areas.

From the specification and contract documentation reviewed it is evident that there are standard clauses included in contracts which are in line with the Equality and Human Rights Commission guidance on procurement. However, the current onus is on the Procurement Team to validate compliance and to test supplier’s ability to meet legislative requirements when in fact this emphasis and level of responsibility should sit with the supplier.

1. **Recommendations**

It is evident that the current level of staffing is insufficient to implement a more thorough contract management approach. Given the financial constraints and the direction of travel at national level it is highly unlikely that additional personnel could be allocated to facilitate the contract management process and ensure equality considerations meet legislative requirements.

In view of this, more emphasis should be placed on the supplier to actively demonstrate that they meet the specific equality requirements. This could be achieved through the introduction of equality specific key performance indicators e.g. evidence to be supplied that employees receive the minimum of a Living Wage; revisiting key equality questions from the specification at key intervals to ensure the supplier has not been subject to breaches in equality legislation; clauses within the terms and conditions of the contract that require the supplier to notify Cleveland Police of potential legal cases which could damage the reputation of Cleveland Police through an association with a supplier.

Increased use of collaborative procurement activities across the North East Police Forces will alleviate some of the challenges around resourcing which would further support the identification of additional efficiencies from a resourcing and financial perspective

The current technology solutions do not fully support the Procurement Team and it would be worthwhile investigating an integrated finance and procurement system as and when the current contractual arrangements with Sopra Steria end. Economies of scale may be achieved if the North East Police Forces implemented a shared system. In the meantime, it is recommended that Procurement Team liaise with their IT Team to implement automated solutions from within the current Excel based system this could include incorporation of task generation and email notifications when specific dates have been reached.

Where contract values exceed £50,000 per annum Cleveland Police could consider requiring suppliers to hold or be working towards an externally recognised equality standard. Cleveland Police itself is the first UK Police Force to achieve the ***Equality Standard Gold Award***TM. The achievement of such a standard which is independently audited would provide a level of assurance that a supplier has demonstrated its commitment to inclusive workplace practices and services and that their operating practices, values and ethics are those of Cleveland Police.

1. **Conclusion**

Cleveland Police as with all Police Forces within the UK are operating within a challenging economic climate where the driver for greater financial efficiencies is placing significant stresses on operational front-line delivery and their enabling support services.

There is a clear commitment and desire by Cleveland Police and the Office of the Police and Crime Commissioner to deliver a modern policing strategy to transform Cleveland whilst serving the community, supporting their people through robust and effective organisational processes.

This procurement peer review has been undertaken as part of the action plan for the Everyone Matters Equality and Human Rights Strategy 2017 – 2020 within the Strategic Theme Area 3 – Organisational Processes. The review aims were to test the validity and effectiveness of the core objectives linked to the area of procurement which are: -

* To identify, subject to close scrutiny, those tenders/contracts that have a high impact or risk in relation to equality, diversity, inclusion and human rights
* To utilise, as appropriate, expertise such as Human Resources and the Everyone Matters Team to assist in the evaluation process.
* Ensure that equality duty considerations are embedded into procurement processes.
* Undertake independent scrutiny with the OPCC to quality assure procurement procedures.

Overall the Cleveland Police Procurement procedures are effective and comply with Equality and Human Rights legislative requirements. The Procurement Team have between 300-400 contracts in place at any one time. These are scrutinised at contract inception for the level of risk and exposure of non-compliance with relevant equality legislation. However, there is an element of risk regarding monitoring of contractors post contract implementation and when the Force undertakes procurement through national framework agreements where other Police Forces take the lead on procurement. These risks do expose Cleveland Police to potential future litigation regarding non-compliance with the Equality Act 2010 and the associated Public Sector Equality Duty; Modern Slavery Act 2014 and potentially the Mental Capacity Act 2005, where third-party organisations are involved in engagement with custodial processes.

There is a strong commitment to the continuous improvement of all organisational processes, including the procurement process and whilst there are limitations placed upon this area through reduced staffing levels and technology constraints, the increased collaboration with other North East Police Forces wherever possible will continue to facilitate best practice sharing, increase bulk purchasing power and create operational efficiencies across each of organisation involved.

This collaborative approach will further aid the transparency of the procurement process and in turn provide better value for money at a time where more for less is becoming the norm in all public sector bodies.

**Document Study**

Cleveland Police Procurement Study 2017 – 22

North East Police Forces, Equality, Diversity & Human Rights in the Procurement Process – A Guide for Contractors and Suppliers

Procurement Procedures

Police and Crime Commissioner for Cleveland Specification & Statement of Requirements

Police and Crime Commissioner for Cleveland Questionnaire & Guidance

Police and Crime Commissioner for Cleveland Quotation Questionnaire & Guidance - Sample – Telecommunications Mast

Buying Better Outcomes, Mainstreaming equality considerations in procurement. A guide for public authorities in England, Equality and Human Rights Commission

Police procurement, National Audit Office

Police Scotland Procurement Strategy, 2014 – 2018

Procurement and Contract Management Strategy and Practice, Police Service Northern Ireland, January 2012

Essex Police, Procurement Strategy 2011

How to do business with Northumbria Police, A guide for suppliers

National Police Chiefs’ Council, Delivery Plan 2016 - 17