

**Report of the Chief Constable to the Chair and Members  
of the Audit and Internal Control Panel  
14<sup>th</sup> June 2011**

**Executive & Presenting Officer: Mrs Ann Hall, Assistant Chief Officer  
(Finance & Commissioning)**

**Status: For Information**

**Contract Standing Order No.9 - Exemption from the  
normal requirement to tender**

**1. Purpose**

- 1.1 New contract standing orders were introduced on 1<sup>st</sup> July 2009. Standing Orders paragraph 9 states that "Utilisation of Contract Standing Order 9 or failure to follow contract standing orders shall be reported to the Audit and Internal Control Panel".
- 1.2 Details of each request are included in Appendix A. This report covers the period January to March 2011.
- 1.3 Standing Orders reflect both the policies of Cleveland Police Authority 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. Recommendations**

- 2.1 That Members note the exemptions in Appendix A of this report which satisfy the criteria for exemption from the normal requirement to tender set out in Contract Standing Order 9.

### **3. Reasons**

- 3.1 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. 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 and authorities either individually or as a "community of interest".
- 3.2 In compliance with Contract Standing Orders it has been the practice to report quarterly every circumstance where it appears that the normal requirement to tender has not been followed.
- 3.3 The quarterly report has in the past been presented as a list of "exemptions", but Members will observe that the appendices contain an analysis by the criteria set out in Contract Standing Order 9. The objective of this analysis is primarily to aid the review by the Audit & Internal Control Panel. A secondary benefit has been a further analysis of the rationale used by spending officers when determining which criteria applies to the particular circumstances of their exemption request. The analysis at Appendix A reflects what is regarded by the Force as the correct application of the criteria.

### **4. Implications**

- 4.1 Finance  
All commitments are within existing budgets; the details of each individual request are provided.
- 4.2 Legal  
As part of the exemption process any requests which involve new supplier terms and conditions are discussed and agreed with Legal Services.
- 4.3 Diversity & Equal Opportunities  
Diversity policies have been requested and details will be fed back to the Diversity Unit.
- 4.4 Human Rights Act  
There are no Human Rights Act implications arising from this report.
- 4.5 Sustainability  
There are no sustainability implications arising from this report.
- 4.6 Risk  
There are no risk implications to report.

## **5. Conclusions**

- 5.1 The details of the exemption requests attached at Appendix A not only comply with methodology approved by Members but represent the Force's ongoing commitment to greater efficiency and effectiveness.

Sean Price  
Chief Constable

Originator of report  
Procurement Senior Buyer - 1224

Attachments (1) – Exemption details

Background Papers are available upon request

**Exemption Reason – Proprietary Product**

1. **A purchase by the ICT department for IT software products and support, from Northgate Information Systems at a cost of £28,440.**
  - 1.1 The ICT team required software products and support in order to continue to support Force ICT systems for a further 12 month period to January 2012.
  - 1.2 The software products and support required, which support the major operational systems of command and control and IRIS, are proprietary products and only available from a sole supplier.

**Exemption Reason – Operational Emergency**

2. **A six month contract extension by the Commissioning department of the Electrical Engineering MTM contract from Fletchers Electrical at a cost of £32,000.**
  - 2.1 Electrical Engineering MTM (Measured Term Maintenance) is a fundamental requirement in order to support the force's property portfolio with regard to current national health and safety legislation and operational effectiveness.
  - 2.2 Due to the service review that was carried out as part of the outsourcing arrangement with Steria, the original procurement exercise for Electrical Engineering MTM services was put on hold in October 2010 at the request of Steria.
  - 2.3 It was agreed to commence with the procurement exercise in January 2011, however due to the delay whilst the review has taken place it has meant that there is insufficient time to compete a procurement exercise prior to the expiration of this existing contract which was 30<sup>th</sup> March 2011, therefore a six month extension has been applied to 30<sup>th</sup> September 2011.
  - 2.4 A new contract for Electrical Engineering MTM services will commence on 1<sup>st</sup> October 2011.