

**Report of the Chief Constable to the Chair and Members
of the Audit and Internal Control Panel
8th December 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 (July – September 2011)**

1. Purpose

- 1.1 New contract standing orders were introduced on 1st 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.
- 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.

Jacqui Cheer
Temporary Chief Constable

Originator of report
Procurement and Fleet Lead Business Partner - 1224

Exemption Reason – Proprietary Product

1. A contribution for the commitment to support the Cadets Programme to Safe in Tees Valley by the Executive at a cost of £20,000 for 2011/12.

- 1.1 Safe in Tees Valley manage and run the Cleveland Police Cadets Programme on behalf of the Force.
- 1.2 The contribution that Cleveland Police makes to Safe in Tees Valley to run this programme is £20,000 for 2011/12.

2. The purchase of Job Evaluation Software and Consultancy by People and Diversity from Pilat HR Solutions at a cost of £45,000 for a 3 year contract.

- 2.1 Job Evaluation is a specific area of HR Management and therefore the market is restricted.
- 2.2 A cost benefit analysis of the schemes available has been carried out and the PSC 13 Factor was chosen by the Police Authority as the scheme for completing job evaluation on posts PO17 and below.
- 2.3 The software which supports the PSC 13 Factor is a proprietary product owned by Pilat HR Solutions.
- 2.4 The cost of the software is £27,000 as a one off fee plus £3,000 for 3 years hosting and support. In addition there is £15,000 for consultancy support and implementation.
- 2.5 Members agreed the purchase of this software at their meeting of the Policy & Resources Panel on 25th August 2011. Members had also previously agreed that the implementation of the job evaluation scheme would be cost neutral.

3. The purchase of a hostage siege negotiating console by Technical Support unit from Keltel Communications at a cost of £12,500.

- 3.1 The current hostage siege negotiating equipment is in excess of 15 years old and the equipment is broken and beyond repair.
- 3.2 Due to the breakdown of the equipment the Force has no technical capability to deploy at hostage siege incidents in order to negotiate communications.
- 3.3 Keltel are the sole supplier of the hostage siege console, which consist of specialist communication phones and portable computerised recording equipment.

4. The replacement of the Firewall and associated infrastructure by Telecommunications from Primosec Ltd at a cost of £127,761.

- 4.1 The Force's firewall infrastructure is vital in protecting and maintaining the integrity of the Force network. It is a key component in ensuring our compliance with and accreditation to the Community Security Policy and connections to CJX and encrypted links for mobile access including CUPID.
- 4.2 The current contract for the support and maintenance for the Force Firewall's was due for renewal, however the product was end of life and therefore ongoing support and maintenance was no longer available.
- 4.3 The Firewall required replacing without which the network would be at risk and would jeopardise CJX and Airwave connectivity.
- 4.4 The Checkpoint Firewall infrastructure is the agreed product used by the Force and therefore is a proprietary product. Checkpoint does not supply direct but use resellers to supply and support their products.
- 4.5 Three informal quotes were received from Checkpoints approved resellers and Primosec offered the value for money solution delivering a £27,000 saving against the other resellers.

Exemption Reason – Operational Emergency

5. The extension of the Pilot Services contract by Specialist Operations and Communications from Police Aviation Services at a cost of £175,061 for a 5 month period.

- 5.1 Cleveland Police currently obtain Pilot services from Police Aviation Services (PAS) formed after a mini-competition under the NPIA Framework. This contract was due to expire in September 2011.
- 5.2 At the time of awarding the contract, the expiration date of the contract would have provided sufficient time to carry out a mini-competition under the proposed new NPIA agreement.
- 5.3 Due to delays in the replacement framework and discussions surrounding a National Air Support Unit, the existing Cleveland contract needed to be extended to ensure Pilot Services were maintained.
- 5.4 The new NPIA framework will be available late 2011 or early 2012 after which Cleveland will carry out a mini-competition to award a replacement Pilot contract.