

**To:** Scrutiny and Audit Committee

**From:** Chief Constable

**Date:** 25<sup>th</sup> May 2010

## **CONTRACTS AND PROCUREMENT ANNUAL REPORT 2009/10**

### **1. Purpose**

- 1.1 To provide the Committee with an update on the work of the Contracts and Procurement function over the period April 2009 to March 2010.

### **2. Background**

- 2.1 The Contracts and Procurement function exercises the powers delegated by the Authority for the tender, evaluation and award of contracts and for the review of purchases made by devolved budget holders.
- 2.2 This review outlines its performance in terms of the major contracts let and the exemptions to Standing Orders approved during this period.

### **3. Putting People First (Service Level Expectations and Key Performance Indicators)**

- 3.1 During 2008 a survey was conducted on performance and effectiveness of the Contracts Team. This indicated a Service Level of 3 (Good) or above on the questions asked.
- 3.2 During 2009, a primary objective has been to encourage the Contracts Team to actively engage with clients and be more proactive in the management of contracts. The aim is to increase the support from and visibility of the Team, leading to improved performance, effectiveness and Value for Money of contracts throughout the Force.

### **4. Detail**

- 4.1 **Schedule 1** lists 25 contracts above £30k that have either been set up by Contract Services or set up in collaboration with other Forces on a Regional or National basis. **Total value £5.48m (£5.78m FY2008/09)**
- 4.2 The 3 above £100k relate to the Microsoft Consultancy at £925m; Forcwide drainage problems at £113k and Charter Browser Upgrade at £102k.

- 4.3 **Schedule 2** lists **Exemptions** from Contract Standing Orders: **Total value £1.2m.** Within the reporting period there were 17 Exemptions in total above £50k. 14 between £50k - £100k; 2 between £100k - £500k and 1 above £500k.
- 4.4 We are currently auditing supplier spend in accordance with Contract Standing Orders to ensure that:
- a) exemptions have been raised where appropriate
  - b) the opportunity to convert the exemption into a contract is fully investigated

## 5. Savings – Cashable & Process Savings (Schedule 3)

- 5.1 In keeping with the Home Office Efficiency Targets and National Procurement Strategy, efficiency contributions are still a requirement of all Forces. For 2010/11, the NPIA has declared a target range of 2.5% to 5% on the Forces total spend of £3.4b.
- 5.2 Cambridgeshire’s 3 year target (2008-2011) had been set at £2.1m. From the table below, it can be seen that 2009/10 fell slightly below target. For 2010/11 a “stretch” target of £1m is in place. This equates to c.2.5% of annual non-pay spend, aligns with NPIA / industry sector targets and should enable the 3 year target to be exceeded by c.15%.

### Three Year Target at £2,059,741

2008/09	2009/10	2010/11	Total to Date
£	£	£	£
701,339	652,000	1,000,000 est	1,351,339

- 5.3 **Cashable savings** of £650,000 on specific contracts that were used or put in place during this period are shown at **Schedule 3.**
- 5.4 **Process savings** of £2,000 for the same period were calculated as savings from the cost of carrying out a local or full European Union tender exercise as opposed to utilising Regional/National or Collaborative Frameworks. These are also shown at **Schedule 3.**

## **5.5 Some notable contracts delivered include:**

- Estates Work Various (Cambourne, Southern BCU) £3.5m
- Fleet £600k
- ICT/Communications £1.0m
- Travel and Accommodation (Expotel) £100-150k

## **6. Priorities**

6.1 Priorities for 2010/11 will centre upon:

- Collaboration - Bedfordshire, Cambridgeshire and Hertfordshire Contracts Teams
- Contracts/Supplier Management
- Cost Efficiencies
- Closer working with NPIA on Category Management (joint development plans for major suppliers)

## **7. Training**

7.1 During 2009/10 a skills needs analysis was carried out for the Contracts Team. This Analysis has been converted into training courses from which the Team has already benefited. The objective has been to identify skills gaps and training courses in order to improve the effectiveness and efficiency of the team. One key training area is the EU Directive, which has been topical since its introduction in December 2009. This will clearly assist in ensuring that future contracts are managed in such a way that challenges on contract letting are minimised.

## **8. Recommendation**

8.1 The Committee is recommended to note the report.

## BIBLIOGRAPHY

Source Document (s)	Contact Officer	Location
	Niki Howard Director of Resources T. (01480) 445450 F. (01480) 445484  <u><a href="mailto:Niki.howard@cambs.pnn.police.uk">Niki.howard@cambs.pnn.police.uk</a></u>	Cambridgeshire Constabulary Hinchingsbrooke Park, Huntingdon, Cambridgeshire, PE29 6NP.

Originating Officer Nicola Howard, Director of Finance

Is it considered that this report contains 'exempt information' and should be considered in private? NO

If the answer is "YES", please state the nature of the exempt information **and the relevant clause(s)** in Part 1 of Revised Schedule 12A to the Local Government Act 1972

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The attached report has been cleared with the undermentioned officers: (delete as appropriate)

~~Chief Executive~~/Chief Constable/Treasurer

Others .....

Submitted on ..... 17<sup>th</sup> May, 2010.....

A report will not be sent to the Authority unless this box has been satisfactorily completed and all necessary consultation carried out - the responsibility for which rests with the originator (except for consultation with the Chairman and this will be undertaken by the Chief Executive).

## SCHEDULE 1

### CONTRACTS LET DURING PERIOD APRIL 2009 TO MARCH 2010

Contract No.	Contract Details	Value	Contractor
0842/N/FCR	Replacement Audio Recording System	£135,695	British Telecom (BT) Convergent Solutions t/a BT iNet (sub-contracting to Red Box Recorders Ltd)
0845/L/IT	ICCS Maintenance	£332,157	APD Communications Limited
0846/L/INS	Repairs to Constabulary Vehicles	£600,000	1. Vindis Group Ltd 2. Autocraft ARC 3. Gladwins Body Repair Centres 4. Neil Cawthorne Accident Repair Specialist
T0853/L/EST	Construction of New Police Station at Cambourne - Re-Tender	£1,426,072	Deejack Builders (Rushden) Ltd
T0858/L/EST	Refurbishment of Gymnasium Roof	£350,000	SDC Builders Limited
0860/L/INV	Provision of Charter.net upgrade	£50,000	Charter UK Ltd
T0904/L/EST	Inspection, Testing and Maintenance of CCTV, Security, Intruder and Personal Attack Alarm Installations Forcewide	£70,000	Secura-Cam
0904.1/N/EST	Upgrade of CCTV Equipment and Maintenance for four Custody suites - Huntingdon, March, Thorpe Wood, Parkside	£130,932	Equanet (Clearview )
0914/N/ICT	Oracle Software Licence Agreements	£64,379	Oracle Corporation UK Ltd
T0918/N/EST	Architectural Services - Design Brief for Additional Cell capacity	£98,000	Drivers Jonas LLP
0921/N/IT	Maintenance of Helicopter Airwave Terminal	£52,675	Chelton Ltd
T0944/N/EST	Consultancy for the Design and Management of a New BCU for Southern Division	£1,507,000	Pick Everard

<b>Contract No.</b>	<b>Contract Details</b>	<b>Value</b>	<b>Contractor</b>
0946/N/INV	Contract for COFDM Equipment	£50,256	Domo Ltd t/a Cobham Surveillance, Micromill Products
0956/L/EST	SARC, Rivergate Centre Internal Alterations and Drainage Works - Re-Tender	£134,788	R G Carter (Peterborough) Ltd
0959/N/INV	NPIA Framework for the Supply and Support of Visual Investigative Analysis Software	£35,000	I2
0974/N/CUS	Ambient Meals and Incup Drinks	£30,000	3663 First for Foodservice
0977/N/ICT	Telephone Lines, Private Wires, Voice Data Megastreams	£70,000	BT
0983/L/NCDE	Consultancy services	£75,000	DEXC Ltd
0979/N/PMO	NPIA Framework - Prism and Witness Software	£36,000	Lanner Group Ltd
0982/L/INV	GL Scan - Gel Lift Scanner/Imager System	£45,920	WA Products (UK) Ltd, Midas House, 9 Burnham Business Park, Springfield Road, Burnham-On-Crouch, Essex, CM0 8TE
0988/L/EST	General Waste Disposal & Recycling of Paper & Cardboard + Associated Services	£37,000	Donarbon Ltd, Ely Road, Waterbeach, Cambs. CB25 9PG
0989/L/INV	Crimes in Action Software (CLIO)	£32,900	Badger Software Ltd, Delta House, 70 South View Avenue, Caversham, Reading, Berks, RG4 5BB
T0837/L/EST	Decorating Maintenance Term Contract	£34,000	Cundy Anglia Ltd
0902/R/PSD	Vetting Case Management System	£40,000	Computacenter
0917/L/NET	Provision of Consultancy Services to Cambridgeshire Constabulary	£49,900	Specialist Consultants

## SCHEDULE 2

### EXEMPTIONS LIST      APRIL 2009 – MARCH 2010

File Ref No.	Division	Nature of Purchase	Contract Value	Reason
838	HQ	Microsoft Consultancy & Implementation Team	£925,000	Sole Source
875	HQ	Forcewide drainage problems	£113,371	Retrospective
891	HQ	Charter Browser .net Upgrade	£102,000	Sole Source
846	HQ	Temporary Part Time Risk Manager	£85,000	Specific – renewal of contract for the same person will go to advert and employee status in June 2010
871	HQ	Facilitation of medical appeals	£84,000	Specific
895	HQ	Datacryptor Encryption Devices and Support	£83,346	Sole Source
901	HQ	Oracle Licensing - Renewal of Existing Contract	£83,106	Urgent
902	Northern	Delivery of Springboard, Navigator and Spring Forward	£81,228	Sole Source
858	HQ	Six Hat Thinking	£80,000	Sole Source
845	HQ	Temporary Part Time Risk Manager	£80,000	Retrospective / Specific
851	HQ	Bespoke Covert Equipment	£78,322	Specific
888	HQ	Provision of consultancy services to ACPO	£75,000	Sole Source
831	HQ	Ad Hoc Counselling Services	£69,000	Specific
840	HQ	Calibration & Repair to Speed Checking Devices	£64,300	Specific
844	HQ	SUMO Presentation	£60,000	Sole Source
923	HQ	Maintenance Contract for ANPR Mobile Units	£58,630	Sole Source
866	HQ	Supply of Force Wide Waste Disposal Service	£55,000	Retrospective / Urgent
		<b>Total Value</b>	<b>£1,182,738</b>	

### SCHEDULE 3

#### CONTRACT SAVINGS APRIL 2009 – MARCH 2010

Contract No.	Contract Purpose	Value	Contractor Name	Savings (Cashable)	Savings (Process)	Comments
0830/L/EST	Remodelling of Werrington and Bretton PS	£171,066	E.S.S. Ltd	£29,447		
0834/L/EST	Alterations to External Drainage to Parkside	£20,225	John Henry (Civil Engineers) Ltd	£15,660		
T0837/L/EST	Decorating Maintenance Term Contract	£34,860	Cundy Anglia (J S Seddon)	£2,342		
T0858/L/EST	Refurbishment of Gymnasium Roof	£286,542	SDC	£48,158		
T0904/L/EST	CCTV Routine Maintenance & Servicing	£68,991	Secura - Cam	£13,982		
0956/L/EST	SARC, Rivergate Centre Internal Alterations & Drainage Works	£134,788	R G Carter Ltd	£3,663		
0973/L/EST	UPS Routine Maintenance & Servicing	£14,403	W B Power Services Ltd	£38,348		
0946/N/INV	COFDM Equipment	£50,256	Cobham	£5,600	£500	Met Police Framework
0914/N/ICT	Oracle Software Licence Agreement	£64,379	Oracle	£257,519		Based upon 80% discount from list given via MOU
0979/N/PMO	Prism and Witness Software	£36,000	Lanner	£8,000	£500	Discount off full list price. NPIA framework.
0950/N/FIN	Accommodation and Travel	£150,000	Expotel	£39,000		Framework
0859/L/EST	Servicing & Maintenance of Standby Generators Force Wide	£18,000		£12,896		
0647/R/OSS	Computer Consumables	£150,000	QC Supplies	£8,018		Rebate
0647/R/OSS	Computer Consumables	£150,000	Supplies Team/QC Supplies	£20,000		Difference between Supplies Team and QC Supplies
0949/N/EST	Stationery	£120,000	Lyreco	£25,000		Based on switching to N Yorks contract from Sept 09.
0583/R/OSS	Diaries	£120,000	Lyreco	£2,000		Estimated by using own brand
0756/L/EST	PC8 Torch	£21,000	Nite	£3,524		Challenged cost increase
0815/N/EST	Uniform Disposals	£2,500	MOD Disposal Services Agency	£3,300		Estimated rebate

<b>Contract No.</b>	<b>Contract Purpose</b>	<b>Value</b>	<b>Contractor Name</b>	<b>Savings (Cashable)</b>	<b>Savings (Process)</b>	<b>Comments</b>
0815/N/EST	Uniform Disposals		MOD Disposal Services Agency	£2,500	£500	Savings due to sharing with Suffolk
0840/RPU	Speed awareness courses	£320,436	Drivetech	£55,188		Lowest tender
0845/L/ICT	ICCS Maintenance	£332,157	APD Communications Ltd	£15,918		
0988/L/EST	Waste Disposal/Recycling	£37,000	Donarbon	£13,000	£500	CCC Framework
0976/N/ICT	BT Access Credit Scheme	£174,140	BT	£17,746		OGC Framework
0990/L/ICT	0345/0845 Service Inbound Telephone numbers	£20,000	BT	£9,500		COI Framework
<b>Total</b>				<b>£650,000</b>	<b>£2,000</b>	