



# THE POLICE & CRIME COMMISSIONER FOR CLEVELAND

## DECISION RECORD FORM

**REQUEST:** To approve the recommendation for a preferred bidder for the custody support contract.

**Title:** Procurement report for Custody Support Contract

### Executive Summary:

In 2007 the Force recognised that the care and administration of detainees did not need the skills of fully trained constables and that efficient professional management would eliminate what was a time wasting process of the booking-in of detainees and would free up 36 frontline officers to focus on core policing. As a result a decision was taken to partner with a third party to deliver Custody Management Services.

A £35m contract over 10 years was entered into with Reliance (now Tascor) to deliver Custody and Medical Services, delivering non cashable savings of £2,074,000. During the term of the contract, negotiations and service reviews have delivered additional savings of £238k in 2012/13 and a further £483k in 2016/17. The contract is due to expire at the end of June 2017.

Prior to the decision being made to re-tender the Custody Service, a "Make or Buy" review was conducted. The review identified that based on the TUPE list of staff the outsourced model costs are cheaper by approximately £300k per annum for staff costs (taking into account on-costs) than the in-sourced salary costs. In addition the Force would need to employ additional supervision to manage Custody on a full time basis at a rate of £76,974 per annum (Chief Inspector), additional costs to support the service covering holidays and sickness would increase the in-source costs further.

A recommendation was put to the Force Executive and OPCC to re-tender the service based on the cost to bring the service in-house being greater than an outsourced provision. It was considered that due to changes in the market the Medical Services element should be removed from the contract and tendered separately.

A detailed review of the specification was carried out to ensure that operational needs were captured (including legislative changes) a specification for Custody Support was drawn up.

A decision was made to reduce the contract term from 10 years to 3 years with the option to extend for two further 12 month periods. It was considered that a shorter contract would provide flexibility in the current changing environment of collaboration. The current contract value is £2,204,000 per annum, therefore based on a potential 5 year contract the total value of the contract would be £11,020,00. The EU tender threshold is £164,176 therefore an EU tender exercise was conducted.

An open tender was carried out using EU Supply as the tender portal, advertising the contract in Contract Finder and OJEU as per the Public Procurement Regulations 2015. An open tender is a competitive exercise whereby a tender is advertised and all bidders whom express an interest can access the tender documentation and submit a bid.

In November 2016, an advert was placed in the European Journal and the Bluelight E-tendering system inviting suppliers to bid for the service. Eight suppliers expressed an interest in the tender, however only four suppliers submitted a response by the closing date and time of 12 noon on 16<sup>th</sup> January.

The evaluation criterion was 60% Specification and 40% price, although in the current financial climate price is a key factor, it was felt that a quality service particularly in relation to detainee safety was procured. The bids were evaluated as per the criteria and the overall scores are detailed below:

Bidder 1 – 88.52%  
 Bidder 2 – 80.73%  
 Bidder 3 – 85.52%  
 Bidder 4 – 72.19%

**Decision:**

The PCC approves the procurement methods investigated and recommendations put forward by the Evaluation Team to award the contract to Bidder 1.

The PCC approves the payment of the set up costs at contract signature to save an additional £5k.

**OPCC Lead Officer:** Amanda Wilkinson

**Contractor Details (if applicable):** Mitie Care and Custody

**Implications:**

Has consideration been taken of the following:	Yes	No
Financial	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Legal	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Equality & Diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Human Rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sustainability	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Risk	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(If yes please provide further details below)**

**Decision Required – Supporting Information**

Financial Implications: (Must include comments of the PCC's Chief Finance Officer where the decision has financial implications)

The agreed budget for 2017/18 for the Custody Support Contract is £2,142,650.

The current contract price for 2016/17 for the Custody Support contract is £2,204,000.

The below table provides a comparison of Year 1 across all 4 bidders:

Bidder 1	Bidder 2	Bidder 3	Bidder 4
£1,568,785	£1,541,030	£1,919,062	£2,029,629

Bidder 1 provides savings of £573,865 for Year 1 against the allocated 2017/18 budget and

£635,215 against the current contract price. Total contract savings £1,842,488 over the initial 3 year contract term against budget based on Year 1-3 prices excluding indexation (Year 1 most expensive as includes implementation costs).

Annual contract prices are subject to Indexation and will be agreed annually between Bidder 1 and the PCC.

Bidder 1 has identified £76,246 of implementation costs which are included in the above year 1 costs. Bidder 1 have stated that if this is paid on contract signing rather than spreading across the year a discount of £5k will be applied.

Legal Implications: (Must include comments of the Monitoring Officer where the decision has legal implication)

Having read this report and having considered such information as has been provided at the time of being asked to express this view, the Chief Executive is satisfied that this report does not ask the PCC to make a decision which would (or would likely to) give rise to a contravention of the law.

#### Equality and Diversity Implications

TUPE Implications have been considered as part of the tender process and the evaluation team feel that Bidder 1 has the experience to manage the process effectively and with consideration of the staff.

#### Human Rights Implications

The inherent ECHR rights with which aspects of the service are concerned, are catered for in the service specification and will form the basis of contractual obligations.

#### Sustainability Implications

There are no sustainability implications associated with the award of this contract.


#### Risk Management Implications

There is a risk that if the decision to award the contract is delayed this will impact on the transition and mobilisation plan identified by the Bidder 1.

#### OFFICER APPROVAL

##### Monitoring Officer

I have been consulted about the decision and confirm that financial, legal, and equalities advice has been taken into account. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

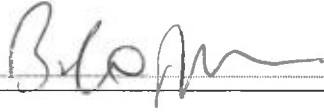
Signed 

Date 23/3/17

**Police and Crime Commissioner:**

The above request HAS my approval.

Signed



Date

24/3/17

## **Report of the Chief Constable to the Police and Crime Commissioner for Cleveland – March 2017**

**Status: For Decision**

### **Procurement Report for the Custody Support Contract**

#### **1. Purpose**

- 1.1 In 2007 the Force recognised that the care and administration of detainees did not need the skills of fully trained constables and that efficient professional management would eliminate what was a time wasting process of the booking-in of detainees and would free up 36 frontline officers to focus on core policing. As a result a decision was taken to partner with a third party to deliver Custody Management Services.
- 1.2 A £35m contract over 10 years was entered into with Reliance (now Tascor) to deliver Custody and Medical Services, delivering non cashable savings of £2,074,000.
- 1.3 During the term of the contract, negotiations and service reviews have delivered additional savings of £238k in 2012/13 and a further £483k in 2016/17. The contract is due to expire at the end of June 2017.
- 1.4 Prior to the decision being made to retender the Custody Service, a "Make or Buy" review was conducted. The review considered the costs to in-source the service, taking into account risk associated with annual leave and sickness.
- 1.5 The review identified that based on the TUPE list of staff the outsourced model costs are cheaper by approximately £300k per annum for staff costs (taking into account on-costs) than the in-sourced salary costs. In addition the Force would need to employ additional supervision to manage Custody on a full time basis at a rate of £76,974 per annum (Chief Inspector), additional costs to support the service covering holidays and sickness would increase the in-source costs further.
- 1.6 The review also identified that the outsource model has additional benefits in terms of offering more flexibility such as options including "hospital watch" and "street to suite" transport. HR responsibilities and dealing with staff complaints/civil litigation would remain with the company.

- 1.7 A recommendation was put to the Force Executive and OPCC to re-tender the service based on the cost to bring the service in-house being greater than an outsourced provision. It was felt that due to changes in the market the Medical Services element should be removed from the contract and tendered separately.

## **2. Recommendations**

- 2.1 That the Police and Crime Commissioner note the Procurement process used to appoint a supplier for Custody Support Services.
- 2.2 The Police and Crime Commissioner approve the procurement methods investigated and recommendations put forward by the Evaluation Team to award the contract to Bidder 1.
- 2.3 The Police and Crime Commissioner approve the payment of the set up costs at contract signature to save an additional £5k.

## **3. Background**

- 3.1 Following a detailed review of the specification with the Chief Inspector and Inspector responsible for Custody to ensure that operational needs were captured (including legislative changes) a specification for Custody Support was drawn up. Documentation from recent procurement examples by other Forces was reviewed and where evidence of good practice and relevant questions were identified these were incorporated into the procurement documentation.
- 3.2 A decision was made to reduce the contract term from 10 years to 3 years with the option to extend for two further 12 month periods. It was felt that a shorter contract would provide flexibility in the current changing environment of collaboration. The current contract value is £2,204,000 per annum, therefore based on a potential 5 year contract the total value of the contract would be £11,020,00. The EU tender threshold is £164,176 therefore an EU tender exercise was conducted.
- 3.3 An open tender was carried out using EU Supply as the tender portal, advertising the contract in Contract Finder and OJEU as per the Public Procurement Regulations 2015. An open tender is a competitive exercise whereby a tender is advertised and all bidders whom express an interest can access the tender documentation and submit a bid.
- 3.4 In November 2016, an advert was placed in the European Journal and the Bluelight E-tendering system inviting suppliers to bid for the service. Eight suppliers expressed an interest in the tender, however only four suppliers submitted a response by the closing date and time of 12 noon on 16<sup>th</sup> January 2017.
- 3.5 The evaluation criterion was 60% Specification and 40% price, although in the current financial climate price is a key factor, it was felt that a quality service particularly in relation to detainee safety was procured.

3.6 The evaluation team, evaluated the four bids in line with the evaluation criteria, as per the table below:

Criteria	Weighting (True Weighting as % of 100%)	Bidder 1 Score (True Score as % of 100%)	Bidder 2 Score (True Score as % of 100%)	Bidder 3 Score (True Score as % of 100%)	Bidder 4 Score (True Score as % of 100%)
Price	40%	40%	39.78%	33.09%	30.97%
Technical and Professional Ability	15% (7.8%)	9% (4.7%)	10.5% (5.48%)	13.5% (7.04%)	10.5% (5.48%)
Mobilisation and Transition	15% (7.8%)	13.5% (7.04%)	9% (4.7%)	10.5% (5.48%)	13.5% (7.04%)
Innovation	10% (5.2%)	6% (3.13%)	6% (3.13%)	9% (4.7%)	9% (4.7%)
Safety and Welfare	10% (5.2%)	9% (4.7%)	9% (4.7%)	9% (4.7%)	4% (2.9%)
Stock Control	5% (2.6%)	4.5% (2.35%)	3.5% (1.83%)	4.5% (2.35%)	3.5% (1.83%)
Contractors Roles and Responsibilities	10% (5.2%)	9% (4.7%)	9% (4.7%)	9% (4.7%)	6% (3.13%)
Resilience, Rostering and Staffing	15% (7.8%)	13.5% (7.04%)	9% (4.7%)	13.5% (7.04%)	9% (4.7%)
Uniforms and Protective Clothing	10% (5.2%)	9% (4.7%)	6% (3.13%)	9% (4.7%)	6% (3.13%)
Staff Training	10% (5.2%)	9% (4.7%)	6% (3.13%)	9% (4.7%)	7% (3.65%)
Experience	15% (7.8)	10.5% (5.48%)	10.5% (5.48%)	13.5% (7.04%)	10.5% (5.48%)
<b>Total</b>	<b>100%</b>	<b>88.52%</b>	<b>80.73%</b>	<b>85.52%</b>	<b>72.19%</b>

## 4. Implications

### 4.1 Finance

4.1.1 The agreed budget for 2017/18 for the Custody Support Contract is £2,142,650.

4.1.2 The current contract price for 2016/17 for the Custody Support contract is £2,204,000.

4.1.3 The below table provides a comparison of Year 1 across all 4 bidders:

Bidder 1	Bidder 2	Bidder 3	Bidder 4
£1,568,785	£1,541,030	£1,919,062	£2,029,629

4.1.4 All Bidders submitted a cost which was below budget allocated for the service.

4.1.4 Bidder 1 provides savings of £573,865 for Year 1 against the allocated 2017/18 budget and £635,215 against the current contract price. Total contract savings £1,842,488 over the initial 3 year contract term against budget based on Year 1-3 prices excluding indexation (Year 1 most expensive due to implementation costs).

4.1.5 Annual contract prices are subject to Indexation and will be agreed annually between Bidder 1 and the PCC.

4.1.6 Bidder 1 has identified £76,246 of implementation costs which are included in the above year 1 costs. Bidder 1 have stated that if this is paid on contract signing rather than spreading across the year a discount of £5,000 will be applied.

- 4.2 Legal  
Terms and Conditions used for this service have been agreed and reviewed by the OPCC Legal Advisor.
- 4.3 Diversity & Equal Opportunities  
TUPE Implications have been considered as part of the tender process and the evaluation team feel that Bidder 1 has the experience to manage the process effectively and with consideration of the staff.
- 4.4 Human Rights Act  
There are no Human Rights implications associated with the award of this contract.
- 4.5 Sustainability  
There are no sustainability implications associated with the award of this contract.
- 4.6 Risk  
There is a risk that that if the decision to award the contract is delayed this will impact on the transition and mobilisation plan identified by the Bidder 1.

## **5. Conclusions**

- 5.1 The Evaluation Team is confident that the procurement exercise has been conducted in a fair, comprehensive, thorough and transparent process.
- 5.2 The tender process has proven to deliver value for money therefore the evaluation team recommends that the PCC awards the contract for Custody Support Services to Bidder 1.
- 5.3 £573,865 of cashable savings against the budget for 2017/18 have been delivered for year 1 with an additional £5k if the set up costs are paid at contract award. Total contract savings over the initial contract term are £1,842,488.

Iain Spittal  
T/Chief Constable

### Evaluation team:

Procurement and Fleet Lead Business Partner – Cleveland Police  
Strategic Contracts Manager – OPCC  
Chief Inspector – Criminal Justice  
Inspector – Custody Management