

CARM Contract Novation from NEC Software Solutions UK Ltd to Zetron Ltd

Investment Group – 1st November 2023

Executive Committee – 14th November 2023

MOPAC Investment Advisory and Monitoring Meeting – 7th December 2023

**Report by Sébastien Fivaz, Commercial Director – Digital, Data and
Technology on behalf of Dame Lynne Owens, Deputy Commissioner**

This entire report will be published by MOPAC. It is classified as OFFICIAL.

EXECUTIVE SUMMARY

Approval is sought for novation of the contract for the CARM application from NEC Software Solutions UK Ltd to Zetron Ltd. NEC Software Solutions UK Ltd was directed to divest the CARM application by the Competition and Markets Authority following its acquisition of SSS Public Safety Limited from Capita plc.

Recommendations

Executive Committee and the Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring Meeting, are asked to:

- 1. Approve the novation of the contract for the CARM application from NEC Software Solutions UK Ltd to Zetron Ltd.**

Time sensitivity

A decision is required by 14th December 2023 so the novation can take effect promptly.

Introduction and background

1. The Computer Aided Resource Management (CARM) application has been in place since 2014. It is a business-critical duty planning and human resource management system with 40,000 users.
2. The contract has been in place since January 2014. It expires in December 2023 and an extension is due to be agreed.
3. NEC Software Solutions UK Ltd (NEC) gave an undertaking to the Competition and Markets Authority (CMA) to sell the business unit that operates the CARM application following a CMA investigation of NEC's acquisition of SSS Public Safety Ltd from Capita plc. Following an invitation for acquisition proposals, the CMA agreed for Codan Radio Communications Pty Ltd (Codan) to purchase the

OFFICIAL

business unit and merge it with its existing business Zetron Ltd (Zetron). The purpose of the novation is to move the MPS CARM contract to the new supplier company, Zetron.

Issues for consideration

4. NEC is contractually required to obtain the written consent of MOPAC to assign, novate, transfer, dispose of, or transfer its contracts.
5. As this divestiture is at the direction of the CMA, it is not reasonable to obstruct the novation of the existing agreement without evidence which demonstrates Codan Radio Communications Pty Ltd is not capable of performing the contract and would have failed to qualify to bid for this contract, in accordance with regulation 72(1)(d) of the Public Contracts Regulations 2015 ("the Regulations").

Contributes to the MOPAC Police & Crime Plan 2022-25¹

6. If novation is approved this will avoid any disruption to the performance of policing duties.

Financial and commercial comments

7. This novation does not change any agreed contractual commitments to cost, governance, or responsible procurement.
8. The contract has a total contract value of £3.8m until December 2023.

Legal comments

9. Regulation 72(1)(d) of the Public Contracts Regulations 2015 (PCR) states that contracts and framework agreements may be modified without a new procurement procedure where a new contractor replaces the one to which the contracting authority had initially awarded the contract as a consequence of universal or partial succession into the position of the initial contractor, following corporate restructuring, including takeover, merger, acquisition or insolvency, of another economic operator that fulfils the criteria for qualitative selection initially established, provided that this does not entail other substantial modifications to the contract.
10. The divestiture by NEC and the acquisition by Codan have been approved and were subject to successful due diligence by the CMA. To comply with regulation 72(1)(d) of the PCR the new supplier has completed the Standard Selection Questionnaire as per PPN 03/23.
11. The novation is lawfully permitted under regulation 72(1)(d) of the PCR.
12. Appendix 1 of the MOPAC Scheme of Consent and Delegation requires the DMPC Deputy Mayor for Policing and Crime approval of any contract novation for a contract value of £500,000 or above.

¹ [Police and crime plan: a safer city for all Londoners | London City Hall](#)

Equality comments

13. There are no equality implications.

Privacy comments

14. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.

15. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.

16. The project does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

Real estate comments

17. There are no real estate implications.

Environmental comments

18. There are no additional environmental implications.

Report author: Ben Harrison, Head of Commercial – Service Delivery