

DMPC Decision – PCD 967

Title: Consolidated IT Contract renewals FY21/22

Executive Summary:

This report requests approval to renew selected existing IT service contracts. There are no immediate alternative arrangements feasible or possible so contracts will be awarded via existing compliant routes including direct awards from frameworks or through third party resellers. The maximum approval requested is £35.153m p.a. This will be funded from existing approved budgets.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

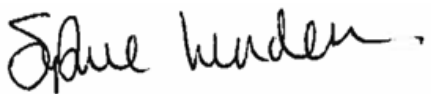
1. Approve the renewal or extension of existing IT contracts detailed in the 2021/22 consolidated contract summary in Part 2 up to a total limit of £35,153,000 per year, fully funded within the MOPAC approved DP Budget.
2. Approve delegated authority for the Director of Commercial Services to complete each of the contracts during 2021/22 within the limits detailed in the contract summary, including additional 20% tolerance upwards where costs are driven by officer numbers.

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature



Date 22/03/2021

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

1. Introduction and background

- 1.1. In Digital Policing there are a number of supplier contracts where for the following reasons:
- exclusive rights reasons, such as the supplier exclusively owning the intellectual property rights in the software and therefore no other supplier is able to provide it;
 - technical reasons, such as there is simply no other supplier who provides the same or equivalent product which meets the MPS's requirements;
 - economic/technical/compatibility reasons, such as infrastructure and Police operations cannot be re-engineered or re-designed to accommodate different software/product without incurring disproportionate service disruption and/or unacceptable costs;
- no alternative solution exists which meets the MPS requirements (single tender actions).
- 1.2. Many suppliers are unwilling to enter into long term arrangements or negotiate on price until the end of the contract. As a result, Digital Policing and Commercial Services often have limited time between the contract end and the submission deadlines for the appropriate Governance meetings (PIB / IAM) to secure best value for money. This then makes it difficult to complete negotiations and progress decisions through the governance process in the time required, so a consolidated renewal process has been agreed for the last few years to streamline the governance around these renewals where there are no alternative routes.

2. Issues for consideration

- 2.1. The requested consolidated approval would be subject to the renewals being for terms of no longer than three years, being contained within a total of £35.153m p.a. and where there is no material change to the existing provision.

3. Financial Comments

- 3.1. The cost implications of this request are fully funded within the MOPAC approved DP budget.
- 3.2. This consolidated list of selected IT contracts assumes the impact of inflation will be no more than £1.7m (5%) fully funded in the Digital Policing budget.
- 3.3. The actual future costs and constituents of the consolidated contract renewals will vary depending on price changes but also increases in officer numbers and the evolution of the technical estate, as services are retired, evolved and new services brought into operation.

4. Legal Comments

- 4.1. The Mayor's Officer for Policing Crime is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £189,330 or above will be procured in accordance with the Regulations.
- 4.2. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all unforeseen variations and extensions to contracts with an original value of £500,000 or above, when the variation or extension is greater than 10% of the original value and/or is for a period of more than 12 months
- 4.3. Paragraph 4.14 of the Scheme provides that the DMPC reserves the right to call in any proposal to award a contract valued at £500,000 or above.
- 4.4. Paragraph 7.23 of the Scheme provides that the Director of Strategic Procurement has consent to approve all proposals to award of all contracts with the exception of those called in through the agreed call in procedure.
- 4.5. Contracts shall be procured or extended in accordance with the Public Contracts Regulations 2015. Either via existing compliant routes to market (direct call-off from an existing framework or value added reseller agreements) or in accordance with Regulation 32 or 72 of the Public Contracts Regulations 2015.
- 4.6. Regulation 32(2)(b) of the Public Contracts Regulations 2015 permits a negotiated procedure without prior advertisement where the works, supplies or services can be supplied only by a particular supplier only where:
 - Competition is absent for technical reasons, and
 - The protection of exclusive rights, including intellectual property rights.
- 4.7. Regulation 72(1)(b) of the Public Contracts Regulations 2015 permits existing contracts to be extended by up to 50% of the original contract value for technical and inconvenience, duplication of costs reasons.
- 4.8. The provisions of Regulation 32 and 72 are strictly applied and Digital Policing shall ensure the appropriate justification for application of these Regulations is evidenced. Where required, Digital Policing and Commercial seek legal advice to ensure compliance.
- 4.9. The contract renewals as set out within this report are compliant with the Public Contracts Regulations 2015 and are in order with the law and MOPAC governance.

5. Commercial Issues

- 5.1. There are procurement options that are not recommended as they will not provide any additional value and would be both resource intensive and time consuming including:

- Conduct individual OJEU tender exercises. As there is an absence of competition for the requested renewals, undertaking OJEU tender exercises would not generate any valid responses, and
 - Mini Competition via Crown Commercial Service or other framework agreement. Although using a framework represents a quicker route to market than an OJEU process, there is still an absence of competition due to technical reasons.
- 5.2. There are existing routes to market available for some of these the contracts (but not all), for example via direct award under an existing framework and third party re-seller contracts whereby the existing supplier is already named on the framework or can be procured by the re-seller. There are good value for money benefits as well as the benefit of legal compliance of using these existing routes to market.
- 5.3. Wherever possible MPS shall seek to procure via these compliant existing routes to market.
- 5.4. Alternatively and where justified, procurements shall be conducted in accordance with the Public Contracts Regulations 2015.

6. GDPR and Data Privacy

- 6.1. 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.
- 6.2. 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
- 6.3. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the renewals meet its compliance requirements.

7. Equality Comments

- 7.1. As this is an extension of existing services this work does not change any aspects relating to equality or diversity.

8. Background/supporting papers

- 8.1. Report.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date: n/a

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – YES

ORIGINATING OFFICER DECLARATION

Tick to confirm statement (✓)

Financial Advice:

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

Legal Advice:

The MPS legal team has been consulted on the proposal.

✓

Equalities Advice:

Equality and diversity issues are covered in the body of the report.

✓

Commercial Issues

The proposal is in keeping with the GLA Group Responsible Procurement Policy.

✓

GDPR/Data Privacy

- GDPR compliance issues are covered in the body of the report.
- A DPIA is not required.

✓

Director/Head of Service:

The Chief Finance Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

Chief Executive Officer

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature



Date 9/3/2021



Consolidated IT Contract renewals FY21/22

MOPAC Investment Advisory Meeting 05/03/21

Report by Angus McCallum on behalf of the Deputy Commissioner

Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC

EXECUTIVE SUMMARY

This report requests approval to renew selected existing IT service contracts. All the contracts are where there are no immediate alternative arrangements feasible or possible. Maximum approval requested is £35.153m p.a. This will be funded from existing approved budgets.

Recommendations

The Deputy Mayor for Policing and Crime, via the Investment Advisory Meeting (IAM), is asked to:

- 1. Approve the renewal or extension of existing IT contracts detailed in the 2021/22 consolidated contract summary in Part 2 up to a total limit of £35.153m per year, fully funded within the MOPAC approved DP Budget.**
- 2. Approve delegated authority for the Director of Commercial Services to complete each of the contracts during 2021/22 within the limits detailed in the contract summary, including additional 20% tolerance upwards where costs are driven by officer numbers.**

And to note:

- Approval is required by March 2021 to allow renewal of those contracts detailed in the consolidated contract summary due to expire at the end of March 2021.
- If there are unforeseen material changes in business requirements, changes to the service provision or available contracting routes during 2021/22 for contracts covered by the contract summary the applicable contract will be brought back to IAM for specific approval where it exceeds the limits in this paper.

Time sensitivity

A decision is required from the Deputy Mayor by 19/03/202. This is because a number of contracts require renewal on 01/04/2021.

Non-confidential facts and advice to the Deputy Mayor for Policing and Crime

1. Introduction and background

1.1 In Digital Policing there are a number of supplier contracts where for the following reasons:

- exclusive rights reasons, such as the supplier exclusively owning the intellectual property rights in the software and therefore no other supplier is able to provide it;
- technical reasons, such as there is simply no other supplier who provides a the same of equivalent product which meets the MPS's requirements;
- economic/technical/compatibility reasons, such as infrastructure and Police operations cannot be re-engineered or re-designed to accommodate different a software/product without incurring disproportionate service disruption and/or unacceptable costs; and/or
- no alternative solution exists which meets the MPS requirements.

1.2 Many suppliers are unwilling to enter into long term arrangements or negotiate on price until the end of the contract. As a result, Digital Policing and Commercial Services often have limited time between the contract end and the submission deadlines for the appropriate Governance meetings (PIB / IAM) to secure best value for money.

2. Issues for consideration

2.1 The requested consolidated approval would be subject to the renewals being for terms of no longer than three years (being contained within a total of £35.153m p.a. and where there is no material change to the existing provision.

2.2 There are procurement options that are not recommended as they will not provide any additional value and would be both resource intensive and time consuming including:

- Conduct individual OJEU tender exercises. As there is an absence of competition for the requested renewals, undertaking OJEU tender exercises would not generate any valid responses, and

- Mini Competition via Crown Commercial Service or other framework agreement. Although using a framework represents a quicker route to market than an OJEU process, there is still an absence of competition due to technical reasons.

There are existing routes to market available for some of these the contracts (but not all), for example via direct award under an existing frameworks and third party re-seller contracts whereby the existing supplier is already named on the framework or can be procured by the re-seller. There are good value for money benefits as well as the benefit of legal compliance of using these existing routes to market.

Wherever possible MPS shall seek to procure via these compliant existing routes to market.

Alternatively and where justified, procurements shall be conducted in accordance with the Public Contracts Regulations 2015 (see Legal Implications below).

3. Contributes to the MOPAC Police & Crime Plan 2017-2021¹

- 3.1 These contracts provide a range of digital services that underpin the MOPAC Police and Crime Plan, for example recording systems for missing persons and intelligence, and network access to national systems etc.

4. Financial, Commercial and Procurement Comments

- 4.1 Funding and or cost implications in this request are fully funded within the MOPAC approved DP budget.
- 4.2 This consolidated list of selected IT contracts assumes the impact of inflation will be no more than £1.76m (5%) fully funded in the Digital Policing budget.
- 4.3 The actual future costs and constituents of the consolidated contract renewals will vary depending on price changes but also increases in officer numbers and the evolution of the technical estate, as services are retired, evolved and new services brought into operation.

5. Legal Comments

- 5.1 The Mayor's Officer for Policing Crime is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £189,330 or above will be procured in accordance with the Regulations.
- 5.2 Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all unforeseen variations and extensions to contracts with an original

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

value of £500,000 or above, when the variation or extension is greater than 10% of the original value and/or is for a period of more than 12 months

5.3 Paragraph 4.14 of the Scheme provides that the DMPC reserves the right to call in any proposal to award a contract valued at £500,000 or above.

5.4 Paragraph 7.23 of the Scheme provides that the Director of Strategic Procurement has consent to approve all proposals to award of all contracts with the exception of those called in through the agreed call in procedure.

5.5 Contracts shall be procured or extended in accordance with the Public Contracts Regulations 2015. Either via existing compliant routes to market (direct call-off from an existing framework or value added reseller agreements) or in accordance with Regulation 32 or 72 of the Public Contracts Regulations 2015.

5.6 Regulation 32(2)(b) of the Public Contracts Regulations 2015 permits a negotiated procedure without prior advertisement where the works, supplies or services can be supplied only by a particular supplier only where:

- Competition is absent for technical reasons, and
- The protection of exclusive rights, including intellectual property rights.

5.7 Regulation 72(1)(b) of the Public Contracts Regulations 2015 which permits existing contracts to be extended up to 50% of the original contract value for technical and inconvenience, duplication of costs reasons.

5.8 The provisions of Regulation 32 and 72 are strictly applied and Digital Policing shall ensure the appropriate justification for application of these Regulations is evidenced. Where required, Digital Policing and Commercial seek legal advice to ensure compliance.

5.9 The contract renewals as set out within this report are compliant with the Public Contracts Regulations 2015 and are in order with the law and MOPAC governance.

6. Equality Comments

6.1 As this is an extension of existing services this work does not change any aspects relating to equality or diversity.

7. Privacy Comments

7.1 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.

7.2 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

7.3 The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the renewals meet its compliance requirements.

8. Real Estate Implications

8.1 As this is an extension of existing services this work does not change any aspects relating to real estate.

9. Environmental Implications

9.1 As this is an extension of existing services this work does not change any aspects relating to the environmental impact.

10. Background/supporting papers

10.1 Report 'Consolidated IT Contract renewals FY21/22'

Report author: Jamie Hewitt, Director of Applications and End User Services, Digital Policing

Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.

The Government Security Classification marking for Part 2 is:
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of 'Consolidated IT Contract renewals FY21/22' is exempt from publication for the following reasons:

- It contains information on the value of individual contracts which, if published, may negatively impact the organisations ability to obtain best value in future sourcing work.

The exemption is covered under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 – Commercial Interests). The paper will cease to be exempt once the information is no longer commercially sensitive, likely 2 years after the contracts renewed in this paper have ceased.