

POLICE AND CRIME COMMISSIONER FOR LEICESTERSHIRE *DECISION RECORD*

To be completed in cases where a decision is required

DECISION OF POLICE AND CRIME COMMISSIONER

Date:07/6/23

Officers present:

Received in OPCC Date:07/6/23

OPCC Ref:EXE0021-23

Title: Euston Street – Server Room Cooling Update

Summary of Issue:

Following the outcome of a competitive tender exercise, additional funding of £350k is required to upgrade the cooling system within the Euston Street server room, as estimated costs have increased from £320k to £670K. This cost increase can be funded from projected underspends and slippage in the 2023/24 capital programme. This report should be read in conjunction with the original report of 20/6/22. The deadline to award the contract is 13 July 2023.

The original request for funding sets out the need to replace the IT cooling system at Euston Street. Estimated funding of £320K was subsequently approved by the PCC as part of the 2023/24 capital programme.

The project has since been designed by external specialist consultants and tendered by the Procurement Department. The preferred contractor is Sudlows with a tender price of £611,767.80. Projects of this nature require a contingency of at least 10%, thereby increasing the funding requirement to £670K. This funding shortfall is therefore £350K.

Tender Price Increase

There are several reasons why the tender prices have come in much higher than the budget estimate:

1. The estimate by our external consultants was provided over 18 months ago (attached below); it was only an initial estimate as the full extent of the works was not known at the time.
2. Tender prices have been increasing at around 20% with some specialist items like cooling equipment running even higher.
3. The budget was very difficult to estimate due to the complex nature of the work. Contractors design input was needed to establish how the works were to be carried out; this was only received post tender.
4. The solution found enables the IT room to remain running during the installation works. This is crucial to IT and Force operations and was not included in the initial estimate as it was not thought to be technically possible. The tender price could be reduced if the room is shut down for 6 months to allow for the works, but the disruption/cost and risk to Force operations would be too great.

5. Retendering is an option, but only two tenders were originally received due to the complex, specialist nature of the work involved. It is highly likely that retendering would produce the same outcome and perhaps, at an even higher cost.
6. A 10% (£60K) contingency is now included because of the complexity of the works. This may not be required.

Risks

The business case remains the same as does the critical urgent need for these works.

Additionally, there is a risk of losing the winning contractor Sidlows if the contract is not awarded by **13 July 2023**. Sidlows are winning other work and with tender prices rising so quickly, are likely to withdraw their bid. This would delay the project by a further few months as we would have to retender.

Funding Options

It has been identified that the following approved capital schemes savings / slippage of £320k (minimum) are anticipated during 2023/24:

1. Coalville car park saving of £46k
2. Windows server and infrastructure upgrades savings £TBC
3. IT service management tool saving of £133k
4. Data centre replications saving of £35k
5. Mail / Web Marshall saving of £106k
6. Body Worn Video & ANPR slippage £TBC

It is therefore highly likely that savings / slippage well in excess of £350k will be realised which allows for the Euston Street funds to be approved without triggering any increase in revenue debt charges short term.

Recommendations presented:

This is an urgent request due to the critically important nature of this plant and risk of losing the winning contractor. The Chief Officer Team support the need for the works and the resultant funding increase.

It is recommended that PCC approval be sought in relation to sanctioning the additional funding request of £350K for the Euston Street project, funded through anticipated savings / slippage in the capital programme.

Key discussion points at meeting

It was resolved that :

OFFICE OF PCC APPROVAL

Chief Executive or Chief Finance Officer:

I have been consulted about the proposal and confirm that appropriate 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 Police and Crime Commissioner

SignatureNameKira HughesDate 12/6/23

Publication Scheme

Decision of Monitoring Officer:

As Monitoring Officer for the Office of Police and Crime Commissioner for Leicestershire I have determined that :

It is appropriate to publish this record of decision made by the Police and Crime Commissioner : Yes / Part Redacted / No

It is appropriate to publish the contents of the assessment of the decision by either of the senior post holders in the Office of the Police and Crime Commissioner for Leicestershire (i.e. either the Chief Executive or Chief Finance Officer) : Yes / Part Redacted / No

It is appropriate to publish details of the decision by the Police and Crime Commissioner for Leicestershire : Yes / Part Redacted / No

Reasons for any non Publication (referencing appropriate legislation):

SignatureNameAndrew ChampnessDate 8/6/23

Police and Crime Commissioner for Leicestershire

Having received the advice set out above and reviewed relevant documentation my decision in regard of this matter is:

Supported

SignatureDate 12/6/23

Rani Mahal