Government Commercial Function

Source to Contract
Global Design Principles

Published by the Government Commercial Function

Overview

This document has been prepared by the Government Commercial Function Continuous Improvement Team, responsible for building out the Government Commercial Function's commercial strategy, with cross-departmental support. Please note this document is up to date as of 21 February 2021.

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Government Commercial Function

Who are we?

The Government Commercial Function is a cross-government network procuring or supporting the procurement of goods and services for the government. Commercial activities are a priority for government. Here's why:
- Government spends £49 billion every year on contracts for vital goods and services
- It is important that government sources the right suppliers to meet those needs
- It is also important to continue to manage those contracts well and achieving this means having a world class commercial function

What are the Source to Contracts Global Design Principles?

The Source to Contract Global Design Principles are a set of common processes and procedures that:
- Are based on leading practice from the public and private sectors
- Have been developed collaboratively with colleagues across government departments and special interest groups
- Are system 'agnostic' - i.e. do not depend on a specific system
- Should be used across all government departments and, where appropriate, leveraged by other government organisations
- Should be used in proportion to the size and complexity of a sourcing activity

Why implement the Commercial Global Design Principles?

The need to standardise principles, processes and data is increasingly recognised across government. Implementing these Global Design Principles will help enable government to move towards convergence. In addition we believe these principles will enable:
- The sharing of best practice to support improved outcomes
- Specific guidance for professionals, which supports and empowers their decision making
- Principles that can be used to support the development of commercial capability across government
- Transparency, consistency and compliance in commercial processes

When should I use it?

This document can be used by everyone, as our principles are best practice processes developed cross government. Three specific examples where you should consider reviewing the principles are when:
- Making a new sourcing request to help you utilise best practice
- Reviewing your source to contract processes and making process improvements
- Looking to identify why source to contract performance is not meeting expected performance, the principles should be used to identify where the process needs amending to improve overall performance
- Designing detailed processes to determine new systems design and configuration

Purpose

Standardised Source to Contract process maps and principles will:

Enable central government organisations to **converge to a standard set of source to contract processes**, including interface with standard procure to pay processes

Drive **consistency across departments** in the systemisation of applicable process steps

Support **greater consistency in data standards** to improve data quality across GCF
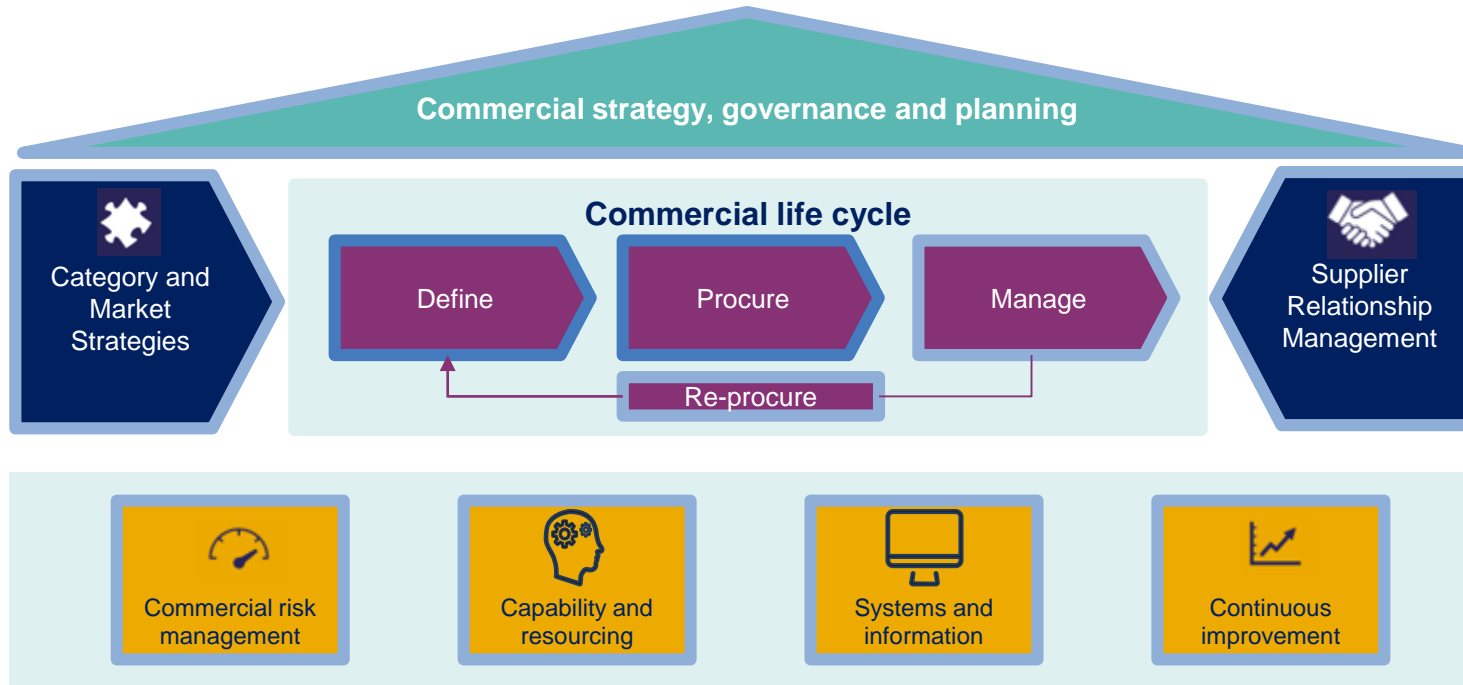
Create a **framework (taxonomy)** against which central policies, guidance and toolkits can be published and made available to all departments

Enable the identification and review of potential **opportunities for shared services** across GCF

Core scope of this document

Commercial strategy, governance and planning

Commercial life cycle

Category and Market Strategies

Define → Procure → Manage

Re-procure

Supplier Relationship Management

Commercial risk management

Capability and resourcing

Systems and information

Continuous improvement

Key

Core scope of this document where they relate to an individual procurement

Cross-referenced where appropriate; detailed maps not included within this stage of development

Source: Government Functional Standard: Commercial

Summary

- The **Government Functional Standard** sets out the commercial lifecycle. The focus of these principles and processes are those that relate to the **Define and Procure** phases.

- Processes in **Define**, which are related to a specific procurement will be included, but any which are related to the definition of the overall commercial plan or strategy will be referenced but not developed in detail.

- The **Procure** phase will include the publication, selection, evaluation and award process activities.

- There are a range of wider activities related to governance, risk management, workforce capability, systems and continuous improvement, which will be referenced where appropriate, but not be a focus for detailed process and principle development. Examples include the HR Global Design Principles and Finance Global Design Principles.

Structure

Overarching level

Strategic Design Principles

The strategic design principles articulate what will shape the design of the Global Design Principles and related processes. They apply across all processes and are supported by process specific design principles.

Process Taxonomy

The taxonomy outlines the different processes in different levels of detail in Source to Contract and highlights which ones are covered in this guidance.

Supporting levels

Process Design Principles

Detailed points of guidance / best practice features related to each process area.

Process Metrics

These are indicative metrics to help measure performance. They are a guide and need to be applied to individual circumstances.

Process Maps

These outline system agnostic processes to reference, including steps, roles and key decision points.

Navigation – *Click the GCF logo in the top left corner to be re-directed to the main S2C menu*

Source to Contract Menu

Source to Contract (S2C) refers to the collective set of procurement processes adopted when sourcing goods or services. The process begins with analysing the product or service requirement and developing a sourcing strategy. It advances sourcing process itself and culminates in the award and mobilisation of a contract(s).

Overarching level

S2C level 2

Design Principles

S2C Taxonomy

Define

Procure

Transact
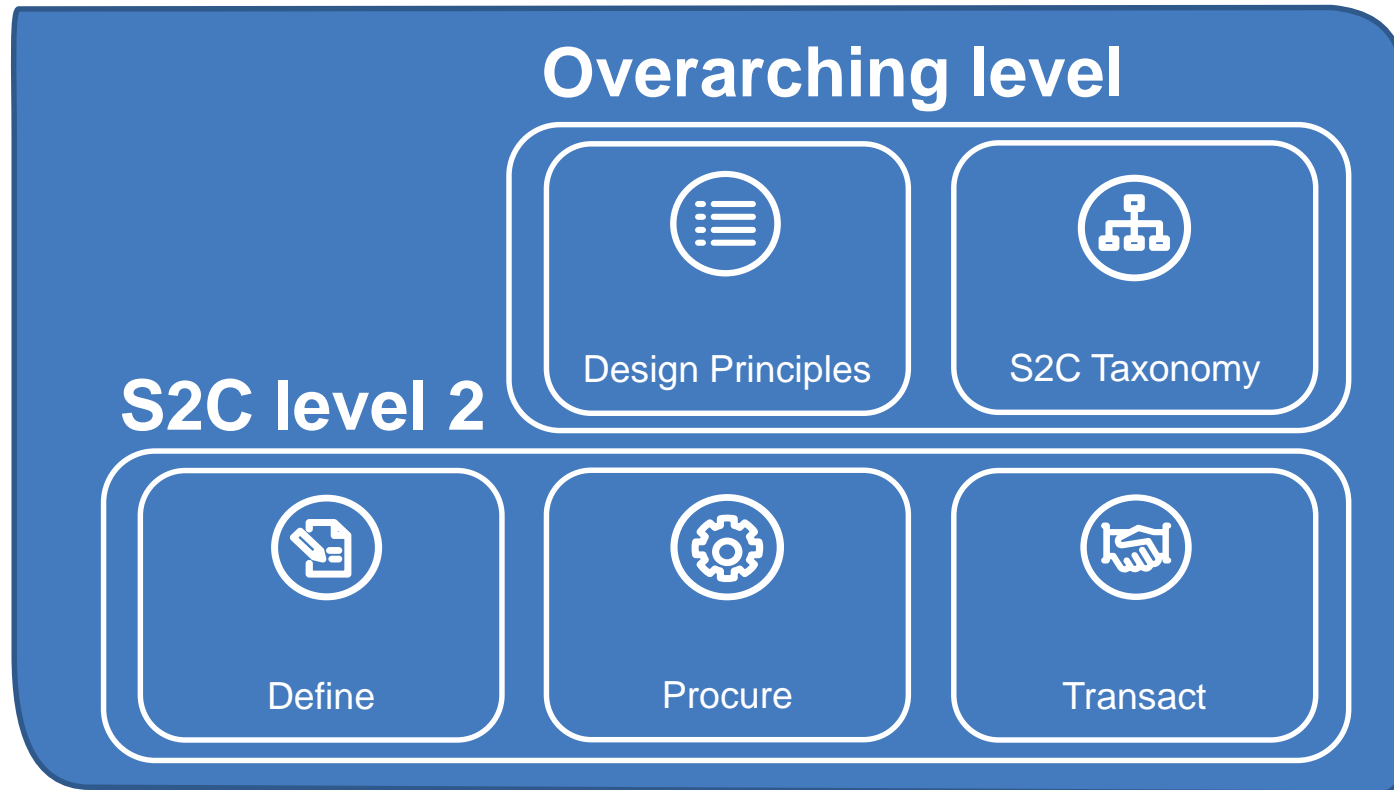
Strategic Design Principles

Source-to-Contract processes……

#	Principle	Description
1	Impact	Enhance impact of procurement and support alignment with government policy and regulation
2	User experience	Create an intuitive, consistent and transparent user experience
3	Good practice	Reflect good practice from inside and outside Government
4	Proportionality	Are proportionate in terms of time and effort requirements
5	Decision making	Empower commercial decision making and governance without prescribing the outcome
6	Continuous improvement	Support continuous improvement, innovation and future relevance
7	System agnostic	Are applicable across Government organisations (i.e. system agnostic)
8	Roles and responsibilities	Drive clear roles and accountability supporting effective collaboration and risk management

Commercial Taxonomy

Commercial strategy, governance and planning

Commercial life cycle

Category and Market Strategies | Define | Procure | Manage | Re-procure | Supplier Relationship Management

Commercial risk management | Capability and resourcing | Systems and information | Continuous improvement

	Plan	Define	Procure	Transact*	Manage
Level 1	Business strategy, priorities and demand	Business need	Publication	Purchase	Contract management
	Commercial strategy plan and pipeline	Market analysis and engagement	Selection and evaluation	Receipt	Supplier performance management
	Category strategy and plan	Sourcing strategy	Contract award and implementation	Accounts payable	Supplier relationship management
	Market strategy			Purchase to pay master data management	

Sourcing enablers

Source to contract master data management	Spend analytics	Market insights	Commercial risk management

Core scope of this document where they relate to an individual procurement

Cross-referenced where appropriate; detailed maps not included within this stage of development

*Purchase to Pay processes have been developed as part of the Finance Global Design principles work. Although some of these are not in scope, these will be cross-referenced as required to support the project's objectives.

Source to Contract Taxonomy

The Source-to-Contract taxonomy visually identifies our global processes as a structured list and creates a common language to be used when referring to processes.

Level 0	Define			Procure			Transact	
			1			2		3
Level 1	Business need 1.1	Market analysis and engagement 1.2	Sourcing strategy 1.3	Publication 2.1	Selection and evaluation 2.2	Contract award & implementation 2.3	Purchase 3.1	Purchase to pay master data management 3.2
Level 2	Allocate resources and map stakeholders 1.1.1	Assess supply market 1.2.1	Analyse commercial options 1.3.1	Develop and finalise procurement pack 2.1.1	Confirm supplier qualification 2.2.1	Notify suppliers and commence standstill 2.3.1	Requisition to purchase order 3.1.1	Manage catalogue 3.2.1
	Define requirements and success criteria 1.1.2	Conduct market engagement 1.2.2	Identify route to market 1.3.2	Launch procurement (A) Above threshold (B) Existing framework (C) Below threshold (no framework) 2.1.2	Evaluate supplier responses (A) Open & Restricted (B) Negotiation 2.2.2	Finalise and award contracts 2.3.2	Purchase from catalogue 3.1.2	Manage supplier data 3.2.2
	Assess complexity, risk and impact 1.1.3		Develop sourcing strategy and delivery plan 1.3.3	Manage and respond to bidder clarification questions 2.1.3	Coordinate post-submission clarifications 2.2.3	Complete contract implementation 2.3.3	Use procurement card 3.1.3	Manage category data 3.2.3
	Conduct Delivery Model Assessment 1.1.4		Manage strategy approvals 1.3.4	Ensure evaluation readiness 2.1.4	Conduct moderation and due diligence 2.2.4			
					Prepare final award recommendation 2.2.5			
					Manage award approvals 2.2.6			

*Sourcing enablers 4
Source to contract master data management 4.1
Manage supplier data 4.1.1
Manage contract data 4.1.2
Manage project and pipeline data 4.1.3

Notes:
- Steps not necessarily sequential
- Designed for the majority of S2C cases but not necessarily every eventuality
- *Cross-referenced where appropriate; detailed maps not included within this stage of development

1. Define
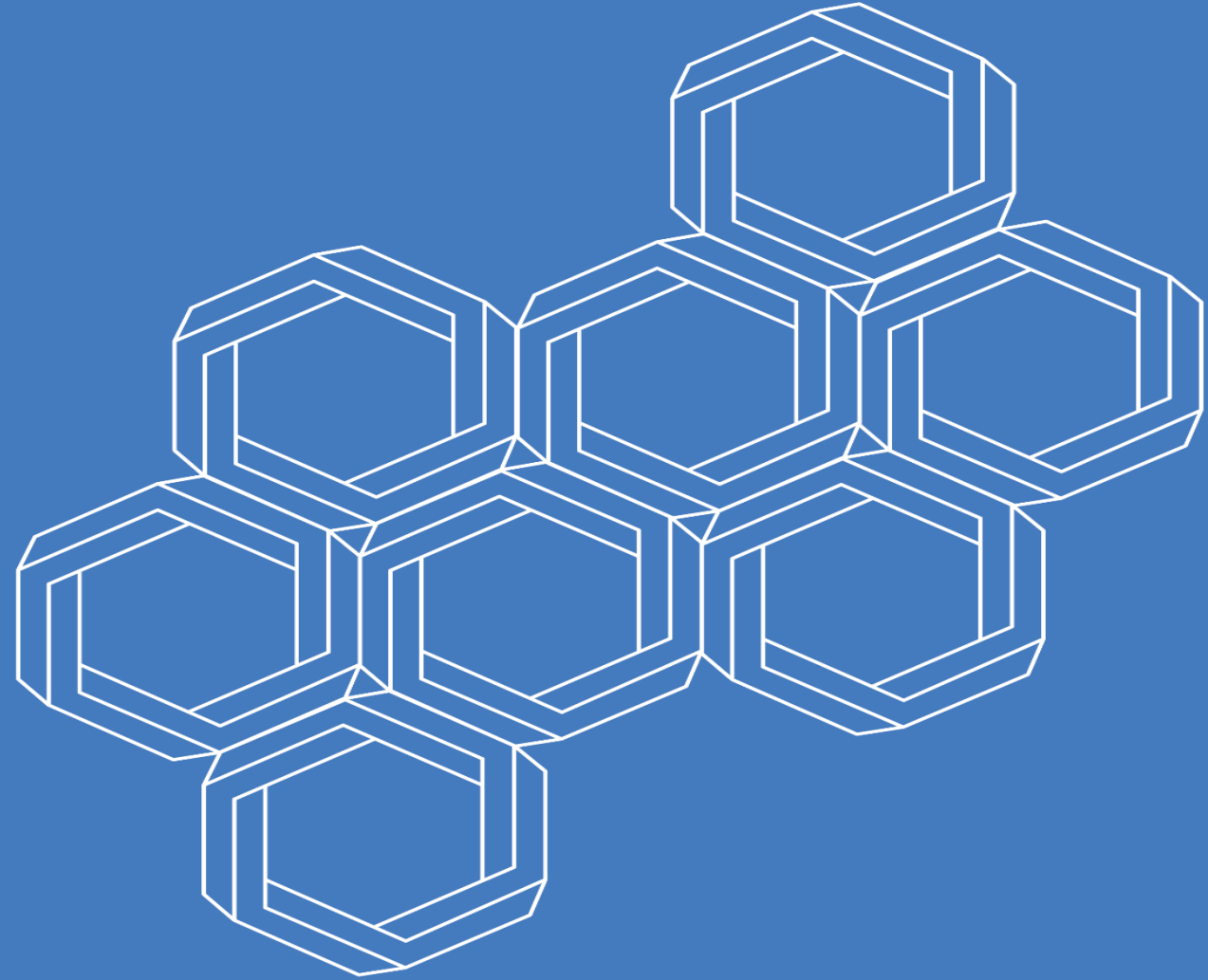
1.1 Business need

1.1.1 Resource allocation and stakeholder mapping	1	Resource allocation is conducted at the outset to ensure sufficient capacity and capability through all stages, including evaluators and future contract managers.
	2	Resource allocation considers relevant technical, contract management, operational and subject matter experts as well as key business users.
	3	Stakeholders are identified, mapped and engaged from the beginning of the procurement with clearly communicated roles and responsibilities.
	4	Resource capacity and capability risks are identified and assessed and appropriate mitigating actions are taken.
	5	The project has been validated and budget to proceed has been confirmed at this stage.
1.1.2 Define requirements and success criteria	6	Commercial are engaged and consulted as early as possible in the shaping of policy and business requirements relevant to a procurement.
	7	Definition of the requirements is iterative, and occurs alongside understanding the capacity and capability of the supply market, including early engagement with the market.
	8	Success criteria are defined early in the procurement process to provide a measure against which to test the procurement results.
	9	Demand management opportunities are applied when defining the requirements in line with the success criteria.
	10	The requirements development process considers the outcomes, outputs and where required the inputs.
	11	Any known optional goods or services potentially required in future are defined as far as possible in the requirements, allowing for future-proofing.
	12	Form of purchase to pay methods of the contract is to be considered, in particular maximising the use of procurement cards (virtual, lodge, physical cards).
	13	Contract type and how to manage the contract once live should be considered and reflected in the requirements and success criteria.
	14	Requirements are designed to prevent 'lock-in' to a particular supplier or solution.
	15	Commercial (including existing Contract Managers if re-procuring) and subject-matter experts, where required, input to definition of the business need.
	16	Existing data and prior experience with similar contracts including lessons learned are gathered to develop requirements and success criteria further.

1.1 Business need

	17	Spend and demand analysis is carried out to aid quantifying the requirement.
1.1.2 Define requirements and success criteria *(continued)*	**18**	Requirements are categorised according to their relative priority (e.g. statutory, non-statutory, mandatory, desirable).
	19	Success criteria are designed to be relevant, specific and realistic to the size and complexity of the procurement, factoring in future contract management.
	20	The Departmental Strategic Outline Case is referenced and aligned to where it is used; the requirements should be owned by the business and signed off by the Senior Responsible Owner (SRO) for the project.
	21	Decisions and supporting rationales for the requirements and success criteria are documented, stored and easily accessible to appropriate stakeholders.
	22	Sustainability and social value are considered and reflected within the requirements and success criteria wherever possible.
1.1.3 Assess complexity, risk and impact	**23**	Alongside the definition of requirements and success criteria, the relative complexity, risk and impact should be assessed.
	24	For complex cases the approval process includes a Project Validation Review (PVR) as defined in the Outsourcing Playbook.
	25	Existing data and prior experience with similar procurements, including lessons learned, are gathered and considered to support assessment of complexity, risk and impact.
	26	The nature of the requirements is categorised (e.g. Defence, Health) and the relevant regulations are understood.
	27	Consideration is given to regulations associated with internationally attractive procurements.
	28	The relative risks associated with the procurement and with delivery of the contract are identified, assessed and mitigations developed
	29	As part of a complexity assessment, consideration should also include whether the product or service is new, novel or innovative.
	30	The procurement is classified as either: Gold, Silver or Bronze by using Contract Tiering Tool to guide procurement timeline and regulatory requirements.
	31	Assessment is made of how quickly the Authority can switch suppliers or re-procure the contract if required.

1.1 Business need

1.1.3 Assess complexity, risk and impact *(continued)*	**32**	Assessment is made of what the potential impact of contract / supplier failure would be.
	33	Barriers to success (e.g. niche products, limited suppliers) are considered.
	34	Clear rationales are documented and made available to all relevant stakeholders (including those involved with validating findings or decision-making) when balancing the achievement of the desired procurement outcomes against the complexity, risk and impact.
1.1.4 Conduct Delivery Model Assessment*	**35**	The detailed guidance on Make vs. Buy assessments included in the Outsourcing Playbook is consulted where appropriate.
	36	Make vs. buy decisions are aligned to the relevant organisation's strategy and should initiate early in the planning stages, prior to the 'Define' phase.
	37	Alternative delivery models should also be explored alongside make vs. buy options. Additional guidance is available via the Outsourcing Playbook Delivery Model Assessment guidance note.
	38	Disaggregation is considered if market insight shows that this will enable the involvement of small medium enterprises, NGOs, volunteer organisations etc. meaning more sustainable options.
	39	Delivery Model Assessments are particularly relevant upon the introduction of new services, a significant new component of a service or when there is a need to re-evaluate the delivery of a service.
	40	A 'Should Cost Model' is created where appropriate and is refined with data during sourcing and the contract delivery phase and then used for financial planning and determining cost targets in re-procurement. Risk allocation and payment model should be considered as part of this.
	41	The success criteria are applied in the make vs buy decision, enabling a clear delineation of which elements of the requirements should be procured.
1.2.1 Assess supply market	**42**	The health of the market is gauged as early as possible in the procurement process and used to shape the desired outcomes, define the contract requirements and develop the commercial options, including make vs. buy decisions.
	43	Market assessments utilise and align to existing category strategies and the commercial pipeline where applicable.
	44	Cross-Government insights are utilised when assessing the health and impact of the market, as well as external reports and market insights.

1.2 Market analysis and engagement

1.2.1 Assess supply market	45	Market Assessment includes assessing the suppliers that are in the relevant market and understanding their market shares, and comparable capability offerings.
	46	Market assessments are used to take into account both short and long term capability needs.
	47	When the market capacity / capability is limited (i.e. 2 or fewer suppliers), consider opportunities for market-making / generating where appropriate. This will likely add complexity to a procurement and an assessment should be made as to whether a market is viable and the impact of a procurement on that market.
	48	When the market capacity / capability is limited (i.e. 2 or fewer suppliers), consider opportunities for market-making / generating where appropriate.
	49	Supply chain risk is assessed beyond immediate third parties likely to be in scope of the procurement.
	50	Findings are documented after the market supply assessment and incorporated as part of the sourcing strategy.
1.2.2 Conduct market engagement	51	The form, manner and scale of engaging the market is tailored to the specific circumstances, procurement complexity and desired outcomes (e.g. utilisation of e-procurement tool, workshops, supplier days, written exercises). Creative approaches should be considered to get the most out of any engagement exercise.
	52	Consider group and individual market engagement sessions for complex outsourcing services.
	53	Where considered appropriate, a Prior Information Notice or Contracts Finder Future Opportunity Notice is issued to the market.
	54	Business users and Subject Matter Experts (SMEs) are engaged such that there is sufficient input to the development and delivery of the market engagement
	55	Market engagement is utilised to stimulate interest from the market, enable more time for suppliers to prepare for the procurement launch and, where relevant, to test requirements with the market.
	56	Any updates to the requirements following market engagement are derived from key themes and remain solution-agnostic and non-attributable to an individual supplier.
	57	Market engagement is conducted in a fair and transparent way, ensuring that information is open to all interested suppliers and that clear guidance is communicated, stating that the engagement exercise does not prejudice or pre-empt the procurement process itself.
	58	Outputs from all supplier sessions are documented, stored and utilised to inform the ongoing refinement of the sourcing strategy and requirements.

1.3 Sourcing strategy

1.3.1 Analyse commercial options	59	All outputs from the define stage are collated and synthesised into a clearly articulated sourcing strategy, aligned with relevant business case and approvals documents where appropriate.
	60	A thorough analysis of the commercial options for the procurement is conducted and includes investigation of opportunities for cross-government collaboration.
	61	Commercial pipeline information and existing contract landscape are used when considering potential aggregation opportunities.
	62	Commercial options are chosen to maximise competition unless there is a clearly justified and documented rationale for selecting an alternative approach.
	63	Finance, legal and other relevant functions are consulted in the options analysis process.
	64	Complex procurements take into account 'lotting' as part of the tender design and include an assessment of lot strategy options.
	65	The inclusion of a pilot phase is considered and can be beneficial for all projects, particularly where a complex service is outsourced for the first time and there is limited information available about the requirements and risks.
	66	Pricing models reflect the complexity of the requirements and desired success criteria for the procurement, linking ultimately to the evaluation criteria.
	67	A should cost model and value for money (VFM) assessments are undertaken to clarify commercial options, considering both quality and price elements relevant to the specific case.
	68	Whole life cost of procurement is considered and feeds into commercial option selection.
	69	Where a market does not currently exist, the benefits of market generation, including how it can drive innovation, are considered.
	70	Risks applicable to a contract are identified and apportioned within the contract to the parties best placed to manage the risk.
	71	Extension and contract terms are considered when structuring requirements, particularly when looking to mitigate risk.
	72	Payment incentives are considered as part of the procurement complexity assessment e.g. gainshare, milestone payments etc.

1.3 Sourcing strategy

1.3.1 Analyse commercial options *(continued)*	73	Robust performance management mechanisms and controls are considered to ensure effective delivery e.g. milestone delay payments, service points etc.
	74	Transparency between parties is considered (open book accounting).
1.3.2 Identify route to market	75	Relevant procurement thresholds are considered and inform the route to market.
	76	Tenders below Public Contract Regulations thresholds and where no suitable framework agreement is available are nevertheless competitively tendered e.g. via Contracts Finder / Quotes processes etc. Single sourcing should only be used where strong justification is made.
	77	Where appropriate common goods and services are purchased through a government framework e.g. a suitable Crown Commercial Service framework agreement.
	78	Bespoke goods or services utilise a procurement route that allows for appropriate engagement with the market.
	79	Existing decision tree guidance is utilised to support the route to market decision.
	80	The capacity and capability of the market are factored into decision-making on route-to-market.
	81	The nature of the contract which needs to be set up is factored into decision-making on route-to-market.
	82	The overall complexity of the requirements is factored into decision-making on route-to-market (as per 1.1.3 above).
	83	The procurement process is designed in a way that does not artificially narrow the market.
	84	The selected routes to market are justified and aligned to the selected commercial option.
	85	Clear rationale(s) for the chosen route to market is documented and transparent to all relevant stakeholders.
	86	Competitive dialogue or the competitive procedure with negotiation should be used for complex service contracts where there is a need to discuss risk allocation. New guidance is available: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/780061/20190220_DialogueAndNegotiation.pdf .

1.3 Sourcing strategy

1.3.3 Develop sourcing strategy and delivery plan	87	All outputs from the define stage are collated and synthesised into a clearly articulated sourcing strategy.
	88	A robust plan is created for the procurement which includes all key milestones, resource requirements and other project elements.
	89	Timelines are proportionate and streamlined, and build in contingency where appropriate. Dependencies and assumptions on timelines are captured and agreed with relevant stakeholders.
	90	Procurement and operational resource needs (including evaluators) are finalised, signed-off and acted upon, considering technical skills, capacity and team size across the full project.
	91	Each stakeholder involved in the procurement is informed of their role and responsibility.
	92	Previous procurements of similar type, size and scale are leveraged to facilitate consistency and continuous improvement.
	93	The project delivery Government Functional Standard is adhered to.
1.3.4 Manage strategy approvals	94	The Commercial Case included within the Outline Business Case reflects the sourcing strategy and supporting research and analysis conducted during the 'Define' phase.
	95	Where the Outline Business Case is required, it is updated and finalised, with approvals sought in order to proceed.
	96	The relevant approvals level, timeline and processes have been agreed prior to this step, at project initiation. All other relevant internal and external approvals to proceed to launching the procurement are sought here. For projects over £10m, these will include Cabinet Office Spending Controls.

Define

1. Define

The checklists below sets out the activities that are expected to be carried out in the Define stage. The steps are not necessarily sequential and should be carried out iteratively and concurrently.

Strategic Outline Case (SOC):
- ☐ Allocate resources and map stakeholders
- ☐ Define requirements and success criteria
- ☐ Assess complexity, risk and impact
- ☐ Market Health and Capability Assessment
- ☐ Conduct market engagement
- ☐ Develop Delivery Model Assessment*
- ☐ Develop initial Should-Cost Modelling
- ☐ Conduct Project Validation Review (if required)

Outline Business Case (OBC):
- ☐ Review resources and stakeholder maps
- ☐ Detail requirement specifications
- ☐ Re-assess complexity, risk and impact
- ☐ Market Health and Capability Assessment
- ☐ Conduct market engagement
- ☐ Re-assess Delivery Model Assessment
- ☐ Develop Should-Cost Modelling
- ☐ Review pricing mechanisms, risk transfer, KPIs
- ☐ Develop bid evaluation model
- ☐ Test and/or pilot approach
- ☐ Check financial and economic standing of potential bidders
- ☐ Develop Sourcing Strategy
- ☐ Prepare mobilisation and transition plans
- ☐ Prepare contract and contract management plan

Strategic Outline Case (SOC) → Outline Business Case (OBC) → Manage Strategy Approvals → Publication (2.1)

Key:
- System enabled process
- Parallel process flows
- Decision point
- Process step
- Link to connected process

Notes:
- Effective definition of the requirements and understanding of the supply market prior to commencing sourcing is critical to achieving successful outcomes. Efforts to define, research, analyse and identify risks at this stage can significantly streamline the subsequent sourcing processes and avoid issues at a later stage.
- Whilst the project to conduct the source to contract process in a specific case will be initiated and led by a Project Lead or Senior Responsible Officer within the business, best practice suggests that Commercial input is sought as soon as possible during the shaping of initial requirements.
- The creation of relevant business cases throughout the process where relevant is led by the business owner with input from Commercial, Finance, Legal and Technical where appropriate.
- The processes in scope of the 'Define' phase should be carried out in a concurrent and iterative way to enable the requirements and strategy to be shaped cohesively, taking into consideration the research, analysis and engagement activities throughout.
- Collaboration between the business users, Commercial, Finance and other relevant parties on all aspects of the 'Define' stage enables a more robust strategy and approach ahead of a sourcing event.

1.2.2 Conduct market engagement

Business users

Business Need (1.1)

Input to the market engagement strategy, approach and objectives

Take part in supplier engagement activities

Use outputs of market engagement to inform requirements

Commercial Directorate Sourcing

Develop market engagement strategy, approach and objectives → Gather business and Subject Matter Expert input → Attain approval of strategy, approach and objectives → Validate pre-requisites to issue Prior Information Notice if necessary → Develop content for engagement → Publish Prior Information Notice or Contracts Finder Future Opportunity Notice, where required → Conduct market engagement → Define (1.0)

Subject matter experts

Input to the market engagement strategy, approach and objectives

Support supplier engagement activities

Use outputs of market engagement to inform advice

Supplier (s)

Review the Prior Information Notice → Take part in supplier engagement activities

Key:

System enabled process

Parallel process flows

Decision point

Process step

Link to connected process

Notes:
- This step is not mandatory however there are a number of advantages exist for conducting this step such as engagement with the market can inform and refine the requirements of the procurement, the market is prepared and ready for the procurement when it begins, and a Prior Information Notice (PIN) enables shortening of the timeframe of the whole procurement process
- Market engagement could be automated in that notices could be automatically issued to suppliers, however the market could also be engaged via writing to a supplier or by an event (e.g. supplier deep dives, supplier days etc.)
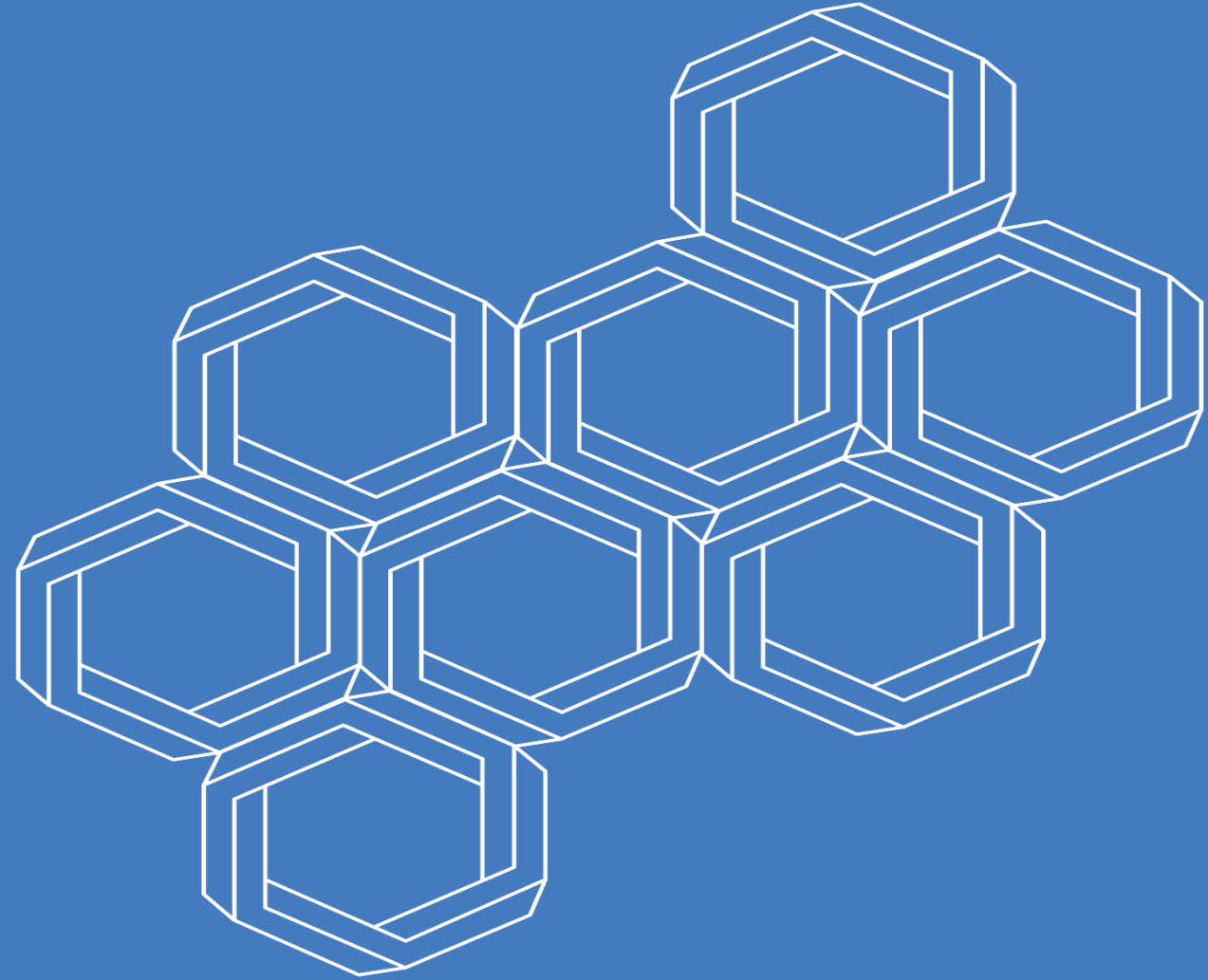
2. Procure

2.1 Publication

2.1.1 Develop and finalise procurement pack	1	The procurement pack reflects relevant outputs (e.g. risk assessments) from activity conducted during the 'Define' stage, i.e. pre-sourcing.
	2	The procurement pack is to be constructed in a clear and logical format that provides a positive user experience and is accessible to all relevant stakeholders.
	3	Procurement timelines / deadlines, forms and requirements are clearly articulated.
	4	Appropriate systems and tools are utilised to aid the development of the procurement pack
	5	The project is set up and configured on the e-sourcing system ahead of the procurement launch (if not already set up as part of market engagement activities)
	6	The evaluation criteria align with the success criteria developed during the 'Define' stage and will be finalised before the Procurement Pack is published
	7	Bid evaluation criteria are scenario-tested and tested with the market prior to being finalised.
	8	Contract managers are engaged and stress-test the procurement pack before sign-off from key stakeholders (e.g. business approval board / commercial forum)
	9	The most appropriate Terms and Conditions are included in procurement pack, leveraging standard terms and conditions where appropriate (e.g. the Model Services Contract) and ensuring these are aligned with the specific contracts to be procured.
	10	The procurement pack includes a template or prescribed form for the supplier's implementation planning approach.
	11	Selection Questionnaires (SQs) utilise the standard template published by Crown Commercial Service are used where appropriate.
	12	The Change Control process for managing change requests under the contract is defined as part of the procurement documents.
	13	Suppliers are enabled to respond effectively by being given clear guidance on how to respond e.g. format and which systems to use.
	14	The criticality of the service contract and whether contingency planning information will be required is considered and included in the contract.
	15	Specific economic and financial standing requirements are clearly outlined in the procurement pack.

2.1 Publication

2.1.2 Launch Procurement	**16**	The procurement pack is published electronically, made available to all relevant parties and transparency requirements relevant to the specific procurement are complied with.
	17	All communication relating to the tender is issued and stored in a comprehensive way via a source to contract system.
	18	The relevant e-Procurement system allows for access and intuitive functionality from a user perspective.
2.1.3 Manage and respond to bidder clarification questions	**19**	The clarification process (e.g. submitting questions and receiving answers) is managed centrally via the e-sourcing system
	20	Instructions for bidders issued with the launch of the procurement clearly set out the process for asking clarification questions.
	21	Answers to clarification questions are made available and are easily accessible to all relevant stakeholders at the same time (including suppliers) in the process, except where these are deemed as 'Commercially Sensitive' (e.g. through a source to contract system)
	22	All clarification questions are logged and allocated to relevant Subject Matter Experts with timelines for responses clearly communicated.
	23	Supplier clarification responses are appropriately reviewed and validated by appropriate individuals

2.1 Publication

2.1.4 Ensure evaluation readiness	**24**	Evaluators are identified and confirmed as early as possible to ensure their availability within timeframes and to enable them time to prepare.
	25	Evaluators selected have the right skills and experience and are identified and engaged early in the process, during the 'Define' stage. The appropriate number of evaluators (and contingency resource) should be in place in advance, alongside an independent moderator.
	26	The role and responsibilities of the evaluators are segmented across areas of expertise, clearly communicated and understood by all relevant parties.
	27	Any gaps in knowledge which require upskilling before evaluation takes place are identified and acted upon.
	28	All evaluators are checked for objectivity, conflict of interests and reminded of the confidentiality aspects of the procurement (where appropriate). This activity should take place where possible during the 'Define' stage when allocating resources to the project.
	29	Where possible, at least three different evaluators review all responses to each aspect of the tender, to facilitate consensus and moderation.
	30	Evaluators receive appropriate training relevant to the procurement itself and to the method for running the evaluation process e.g. via an e-sourcing system.

2.1.1 Develop and finalise procurement pack

Business users

Input to development of pack

Provide sign-off as required

Commercial Directorate Sourcing

Sourcing strategy (1.3) → Collate key elements for the procurement pack: requirements, costs, regulations, sourcing strategy and delivery plans → [+] → Develop and finalise procurement pack: specification, contract notice, tender instructions, pricing model, evaluation content, templates for completion → Co-ordinate sign-off of relevant pack elements → [+] → Attain sign-off on procurement pack → Set-up procurement security → Launch procurement - A, B, C (2.1.2)

Subject Matter Experts

Input to development of pack

Provide sign-off as required

Key:

- System enabled process
- Parallel process flows
- Decision point
- Process step
- Link to connected process

Notes:
- The process for the development and eventual upload of the procurement pack may be system enabled depending on the systems/processes already in place

Principles
Metrics
Process maps
2.1

2.1.2 Launch procurement – (A) Above threshold

Commercial Directorate Sourcing

Develop and finalise procurement pack (2.1.1) → Publish sourcing event on S2C system and transparency systems → Procurement notice submitted for publication on transparency system(s) → Notify appropriate suppliers of procurement notice publication

*

Supplier(s)

** Review Procurement Notice → Is there an interest to submit a tender response? → No → End

Is there an interest to submit a tender response? → Yes → Is supplier registered on procurement portal? → No → Register on procurement portal

Is supplier registered on procurement portal? → Yes → Express interest in tender and register to project and specific ITT event → Commence creation of bid response → Manage and respond to bidder clarification questions (2.1.3)

Key:

System enabled process

Parallel process flows

Decision point

Process step

Link to connected process

Notes:
- Refer to transparency guidance at https://www.gov.uk/government/publications/procurement-and-contracting-transparency-requirements-guidance for full details of when this is required.
- **In the future, suppliers will have the opportunity to register via the Conclave system prior to any individual opportunity arising. This will enable registered suppliers to receive notifications of new opportunities that match their capability areas, drawing upon the identity index within the system. A potential future development for Project Conclave is to build links which can enable integration with e-procurement systems.

Procure
Publication | Selection & Evaluation | Contact award & Implementation
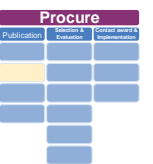
2.1.2 Launch procurement – (B) Existing framework

Commercial Directorate Sourcing

- Identify route to market (1.3.2)
- Is a direct award permitted and appropriate?
  - Yes → Select a preferred supplier for engagement
  - No → Launch mini competition with framework suppliers
- Carry out a value for money check
- Does the supplier fit the requirements?
  - Yes → Obtain relevant approvals → Finalise and award contracts (2.3.2)
  - No → Select an alternative supplier → Carry out a value for money check

Supplier(s)

- Review requirements
- Is there an interest to submit a tender response?
  - No → End
  - Yes → Express interest and register to project → Commence creation of bid response → Ensure evaluation readiness (2.1.4)

Key:

- System enabled process
- Parallel process flows
- Decision point
- Process step
- Link to connected process

Notes:
- Further guidance on transparency requirements can be found at: https://www.gov.uk/government/publications/procurement-and-contracting-transparency-requirements-guidance

Procure
Publication | Selection & Evaluation | Contract award & Implementation

2.1.2 Launch procurement – (C) Below threshold options

Business User

- Assess complexity, risk and impact (1.1.3)
- Identify route to market (1.3.2)

Commercial Directorate Sourcing

- Is there a framework?
  - Yes → Launch Proc - (B) Existing framework (2.1.2)
  - No → Is there a catalogue?
    - Yes → Purchase from catalogue (3.1.2)
    - No → Does this comply with P card policy?
      - Yes → Use procurement card → Use procurement card (3.1.3)
      - No → * Obtain quotes → Select and evaluate a successful supplier → Obtain relevant approvals → Requisition to purchase order (3.1.1)

Key:

- System enabled process
- Parallel process flows
- Decision point
- Process step
- Link to connected process

Notes:
- *Future potential to leverage evidence that is planned to be held within the Conclave system, which could support due diligence activities.
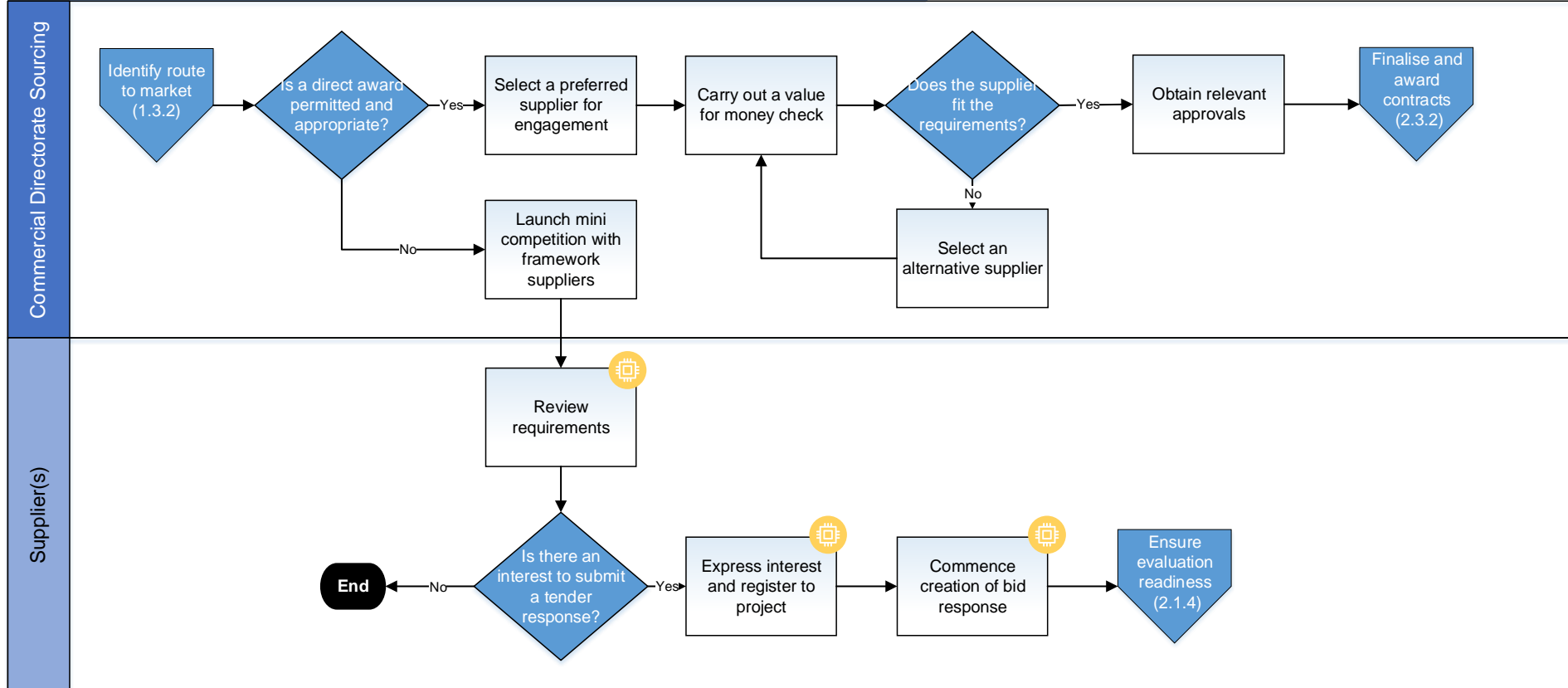- Further guidance on transparency requirements can be found at: https://www.gov.uk/government/publications/procurement-and-contracting-transparency-requirements-guidance

Procure

Government Commercial Function

2.1.3 Manage and respond to bidder clarification questions

Subject Matter Expert

Review and draft response to relevant CQs on procurement portal

Commercial Directorate Sourcing

Issue CQs to relevant Subject Matter Experts (including timescales for responses)

Receive and review topic of each CQ

Review draft CQ responses

Obtain appropriate sign-off for CQ responses

Are CQs deemed 'Commercially Sensitive'?

No → Issue CQ responses to all Suppliers via procurement portal → Ensure evaluation readiness (2.1.4)

Yes → Issue CQ responses directly to relevant Supplier via procurement portal → Ensure evaluation readiness (2.1.4)

Supplier(s)

Launch procurement - A,B,C (2.1.2)

Review ITT

Submit any Clarification Questions by deadline

Key:

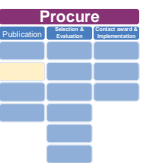System enabled process

Parallel process flows
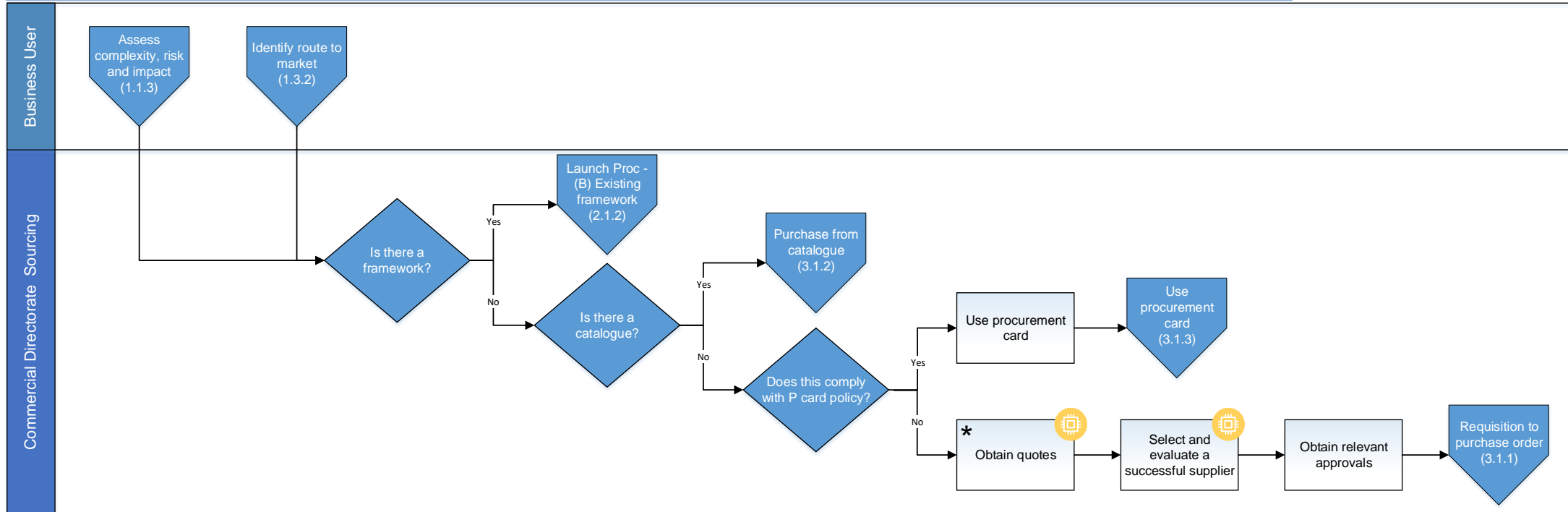
Decision point

Process step

Link to connected process

Notes:
- Further guidance on transparency requirements can be found at: https://www.gov.uk/government/publications/procurement-and-contracting-transparency-requirements-guidance

Procure

2.1.4 Ensure evaluation readiness

Evaluators

- Confirm availability for Evaluation
- Complete Conflict of Interest Check
- Attend training
- Check evaluation portal log-in access
- Confirm supplier qualification (2.2.1)

Commercial Directorate Sourcing

- Allocate resources and map stakeholders (1.1.1)
- Communicate with pre-identified Evaluators to confirm availability, allocate roles/responsibilities and communicate evaluation and moderation logistics
- Are all pre-identified Evaluators available? — Yes / No
- Identify and notify replacement Evaluators
- Send Evaluators Conflict of Interest Check request
- Do any Evaluators have a conflict of interest which excludes them? — No / Yes
- Organise and deliver evaluator training sessions

Key:

- System enabled process
- Parallel process flows
- Decision point
- Process step
- Link to connected process

Notes:

Procure
Publication | Selection & Evaluation | Contract award & Implementation

2.2 Selection and evaluation

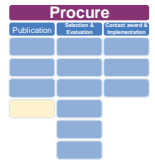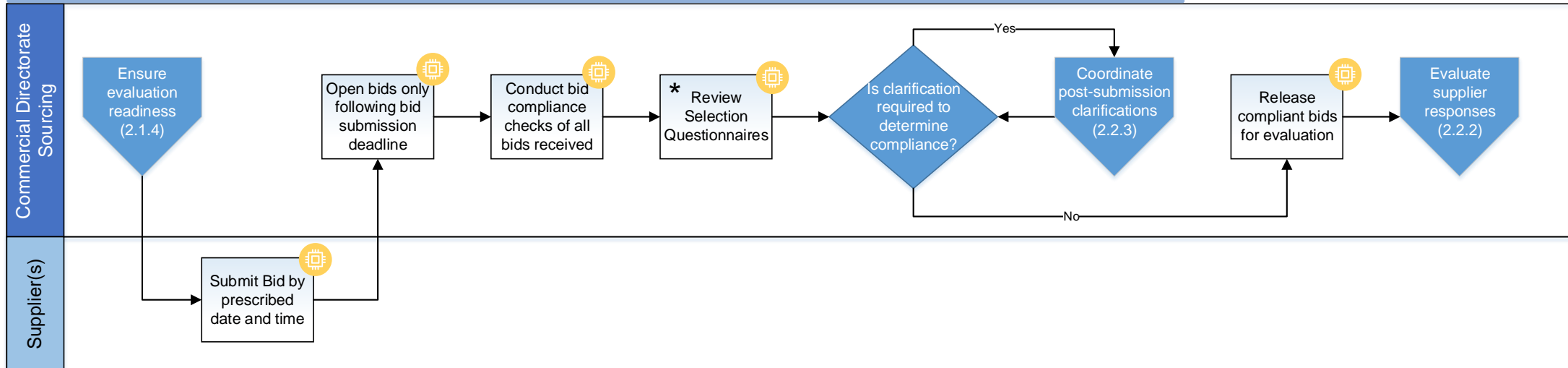|		
2.2.1 Confirm supplier qualification	**31**	The Selection Questionnaire is used to determine whether bidders are able to comply with minimum pass / fail requirements and demonstrate initial suitability to carry out the contract.
	32	Specific economic and financial standing requirements and policy should be assessed at this stage.
	33	In deciding whether discretionary exclusion grounds apply, it should be considered whether the supplier can undertake remedial action.
	34	The selection process is an assessment of the suppliers themselves, as opposed to the Evaluation and Award stage which is an assessment of their bids.
	35	Determination of supplier tender compliance includes clear rationale(s).
	36	Findings are documented and stored in the most appropriate system, accessible to relevant stakeholders and, where appropriate, distilled and fed in to the remainder of the process.
2.2.2 Evaluate supplier responses	**37**	Evaluation is supported by central evaluation guidance and enabled by the e-sourcing system wherever possible.
	38	Evaluators document their rationale for awarding each score, evidencing alignment with the published criteria. Evaluators should capture detailed notes and be aware that these are subject to review in the event of a legal challenge.
	39	All evaluators are able to provide an objective and independent assessment and have declared no conflicts of interest.
	40	Training delivered to evaluators includes dedicated training on the use of the appropriate evaluation systems and processes in use during the procurement, as well as the evaluation criteria and associated scoring systems.
	41	For complex procurements, any winning bids that are significantly lower (by 10% or more) than either the average cost of all the bids or the 'Should Cost Model' are sufficiently scrutinised by central assurance and scrutiny. Low cost bid regulations apply to all above threshold procurements.
	42	Evaluation criteria help to ensure the desired outcomes are achieved, often by aligning to defined requirements and success criteria.
	43	Commercial play a role in ensuring evaluation is compliant and that a robust repository of all evaluation records is maintained. This is to assist in mitigating risk in the event of a legal challenge.

2.2 Selection and evaluation

2.2.3 Coordinate post-submission clarifications	44	Post-submission clarification questions are reviewed by Commercial / Legal prior to being issued to bidders via the relevant e-sourcing system.
	45	All post-submission clarification questions and answers are logged and coordinated through a central owner.
	46	Post-submission clarification questions are limited to clarification of bidder written submissions; they should not allow for bidders to change or add new or different information to their submitted response.
2.2.4 Conduct moderation and due diligence	47	Moderators are able to provide an objective and independent assessment.
	48	All evaluators are gathered and take part in the moderation with an independent chair overseeing the process.
	49	Moderation minutes are captured and logged, with a clear rationale for any amended scores documented within the source to contract system.
	50	Supplier due diligence checks are tailored to the specific requirement and may include site visits, following up on references and verifying financial sustainability. If due diligence checks are to be carried out, this should be made clear to bidders as part of the procurement launch pack.
2.2.5 Prepare final award recommendation	51	The process of preparing and finalising the evaluation report is streamlined by utilising a standard template and pre-populating key information where possible. Systems automated reports should be configured to facilitate this where possible.
	52	Reasons for evaluation results are clearly documented in contract award report and standstill letters before sign-off.
2.2.6 Manage award approvals	53	Commercial approval board and any other relevant governance forums have signed-off evaluation and contract award decision.
	54	Where applicable, the Full Business Case is updated and approval sought prior to contract award.

2.2.1 Confirm supplier qualification (including Selection Questionnaires)

Commercial Directorate Sourcing

- Ensure evaluation readiness (2.1.4)
- Open bids only following bid submission deadline
- Conduct bid compliance checks of all bids received
- * Review Selection Questionnaires
- Is clarification required to determine compliance?
  - Yes → Coordinate post-submission clarifications (2.2.3)
  - No
- Release compliant bids for evaluation
- Evaluate supplier responses (2.2.2)

Supplier(s)

- Submit Bid by prescribed date and time

Key:
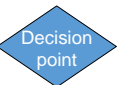
- System enabled process
- Parallel process flows
- Decision point
- Process step
- Link to connected process

Notes:
- Where a Restricted Procedure is being used, note that the Selection Questionnaire comprises a stage in itself, with only qualifying suppliers being invited to submit a tender response as a subsequent stage.
- In the event that Suppliers who have received a copy of the ITT and do not submit a response, the Commercial Directorate Sourcing ask for reasons why this is the case; feedback can inform future procurements.
- *In the future, Project Conclave is seeking to enable a more streamlined solution for suppliers to register and maintain their standard selection questionnaire responses within a single government portal that could be integrated with e-procurement systems. The Conclave system will seek to provide visibility of key evidence relating to each supplier that could streamline access for evaluators at this stage.

Procure
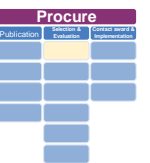
Publication | Selection & Evaluation | Contract award & Implementation

2.2.2a Evaluate supplier responses (Open and Restricted Procedures)
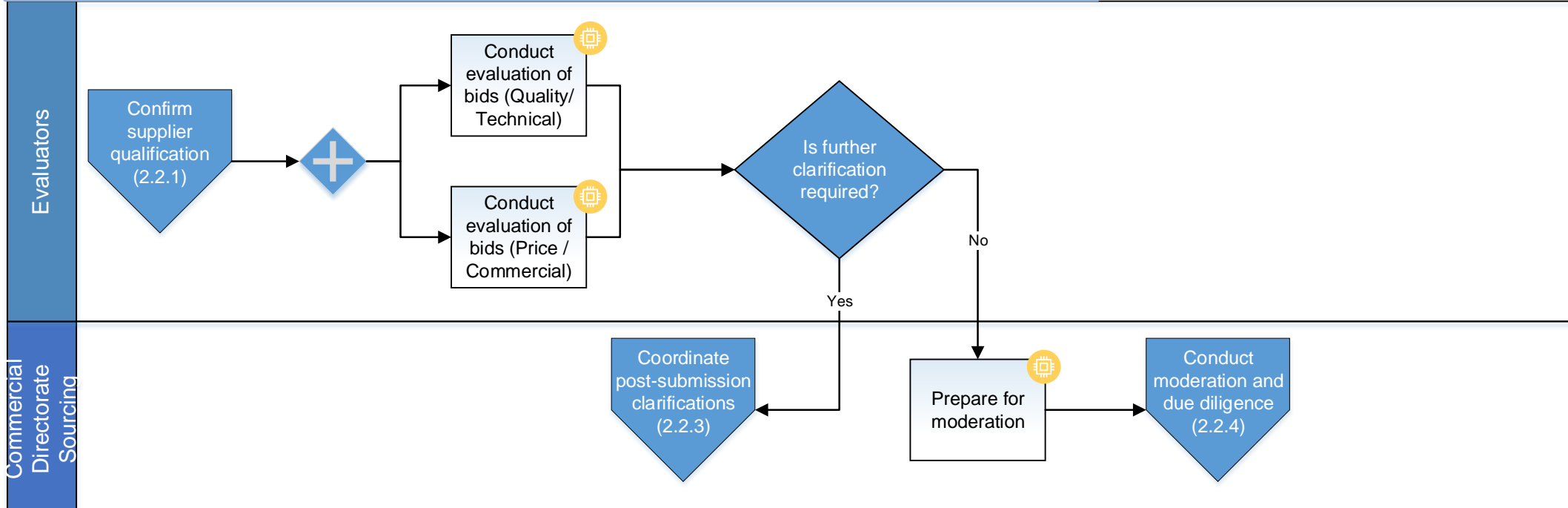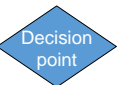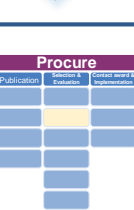
Evaluators

- Confirm supplier qualification (2.2.1)
- Conduct evaluation of bids (Quality/ Technical)
- Conduct evaluation of bids (Price / Commercial)
- Is further clarification required?

Commercial Directorate Sourcing

- Yes → Coordinate post-submission clarifications (2.2.3)
- No → Prepare for moderation → Conduct moderation and due diligence (2.2.4)

Key:
- System enabled process
- Parallel process flows
- Decision point
- Process step
- Link to connected process

Notes:
- Evaluators keep detailed records of their evaluation of bids, setting out the scores awarded and rationale, noting these are subject to review in the event of a legal challenge
- Key dependency: the bid has passed all mandatory checks
- Quality / technical evaluation should be conducted entirely separately from price / commercial evaluation as separate 'envelopes'. The final results of each part of evaluation are combined after moderation to create a total overall score for each bid at award recommendation stage.

2.2.2b Evaluate supplier responses (Competitive Procedure with Negotiation)

Evaluators
- Confirm supplier qualification (2.2.1)
- Conduct initial evaluation of bids
- Shortlist suppliers for next round
- Conduct evaluation of bids (Quality/Technical)
- Conduct evaluation of bids (Price / Commercial)
- Is further clarification required?

Business / Subject Matter Experts
- Support negotiations

Commercial Directorate Sourcing
- Confirm negotiation dates/timings with suppliers
- Finalise negotiation strategy with Business and Subject Matter Experts
- Conduct negotiations with suppliers
- Coordinate post-submission clarifications (2.2.3)
- Prepare for moderation
- Conduct moderation and due diligence (2.2.4)

Suppliers
- Confirm negotiation dates/timings
- Submit subsequent bids by prescribed date and time

Decision point: Yes / No

Key:
- System enabled process
- Parallel process flows
- Decision point
- Process step
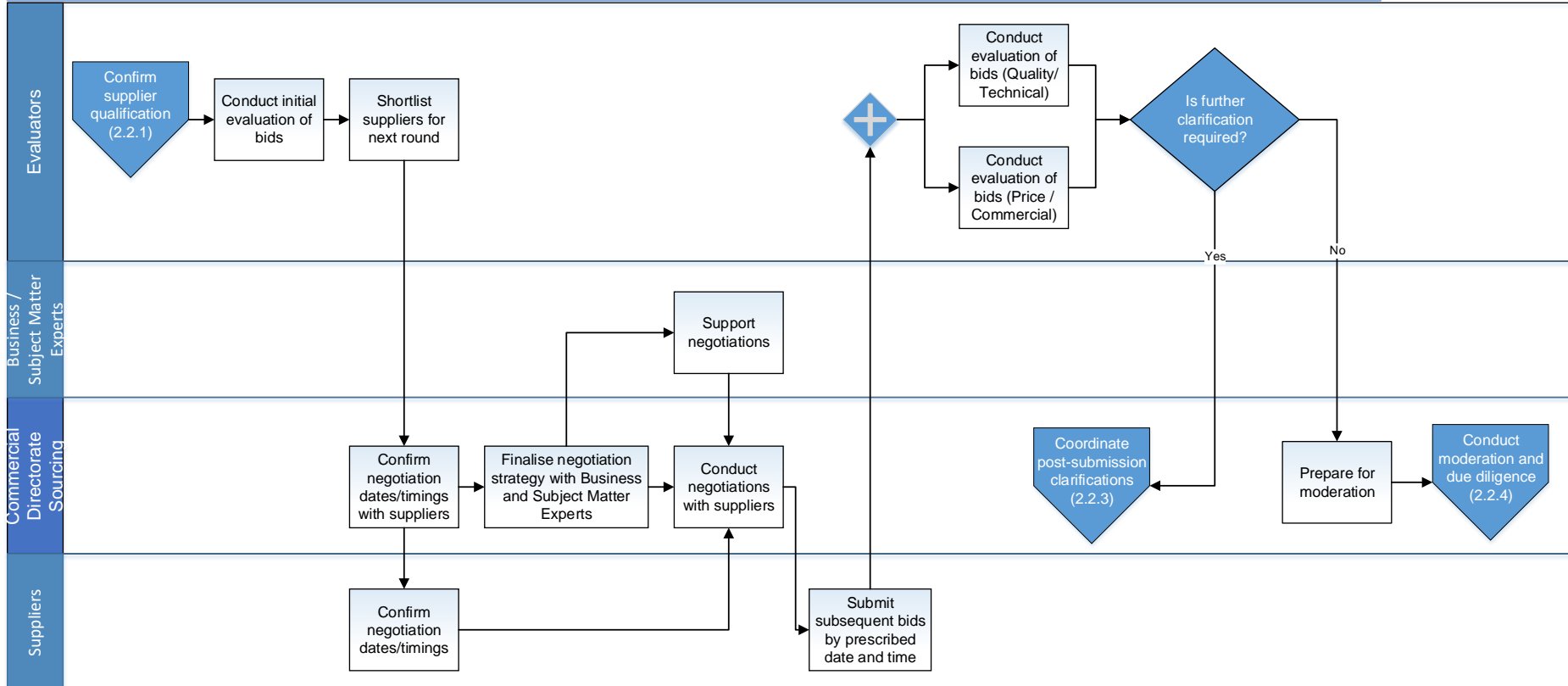- Link to connected process

Notes:
- Evaluators keep detailed records of their evaluation of bids, setting out the scores awarded and rationale, noting these are subject to review in the event of a legal challenge
- There is an option of accepting initial bids under the regulations, but this must be made clear in the procurement notice at the outset.
- This process can be repeated multiple times until the Authority is satisfied. After which, final bids are requested and no further negotiations are allowed.
- Quality / technical evaluation should be conducted entirely separately from price / commercial evaluation as separate 'envelopes'. The final results of each part of evaluation are combined after moderation to create a total overall score for each bid at award recommendation stage.

2.2.3 Coordinate post-submission clarifications

Evaluators

Confirm supplier qualification (2.2.1)

Evaluate supplier responses (2.2.2)

Draft any questions requiring clarification

Review clarification responses

Confirm supplier qualification (2.2.1)

Evaluate supplier responses (2.2.2)

Commercial Directorate Sourcing

Gather and review draft post-tender clarifications

Obtain sign-off for clarification wording where required

Issue clarifications to Suppliers (including timescales for responses)

Alert relevant evaluators of clarification responses received

Supplier(s)

Review & provide responses to clarifications

Key:
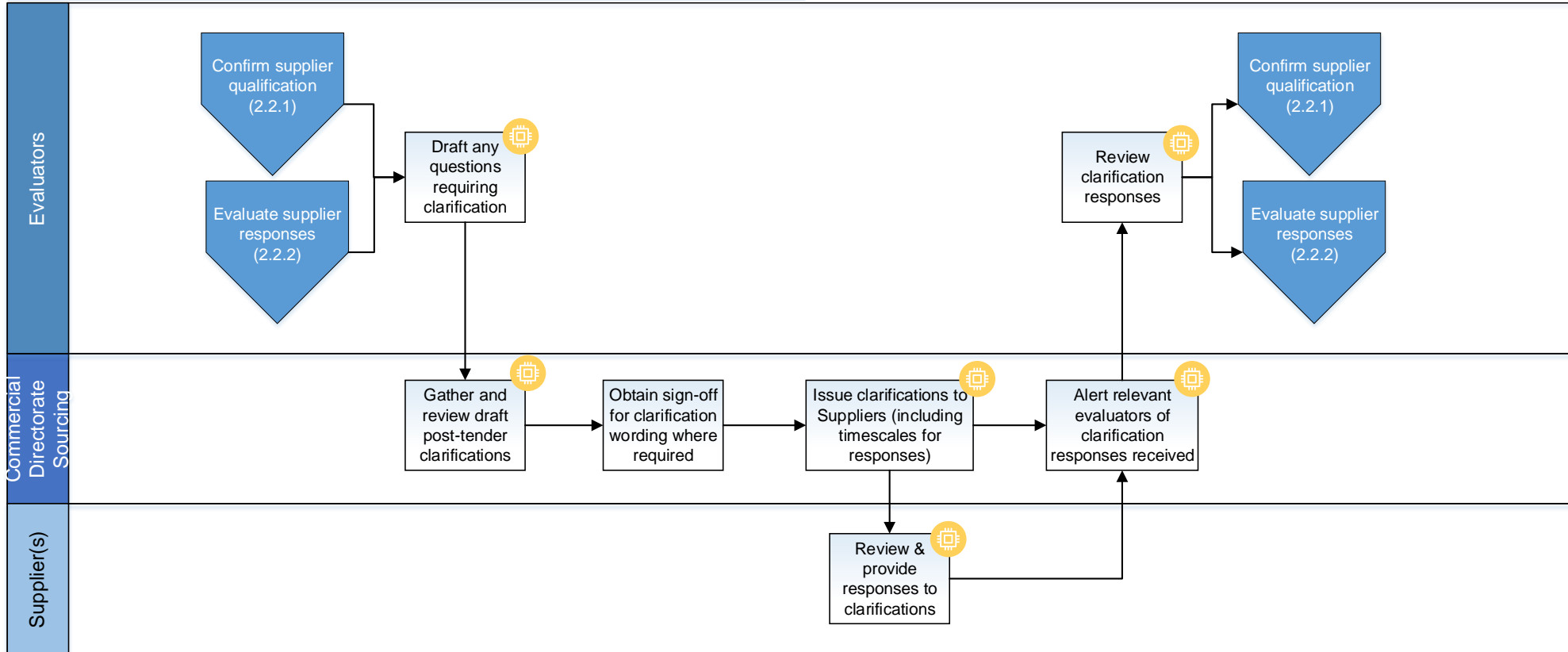
System enabled process

Parallel process flows

Decision point

Process step

Link to connected process
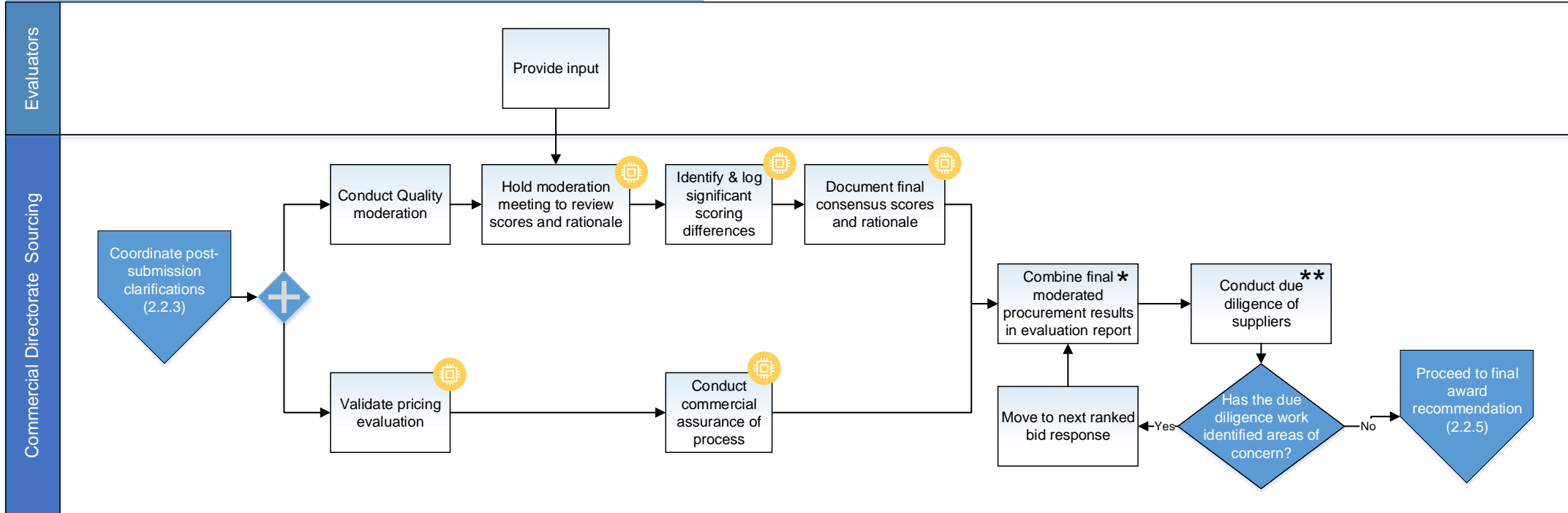
Notes:
- The Commercial Directorate Sourcing is the only point of contact between the contracting authority and Supplier(s)
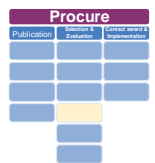- Pricing clarifications are asked if abnormally low tenders are submitted

Procure

2.2.4 Conduct moderation and due diligence

Evaluators

Provide input

Commercial Directorate Sourcing

Coordinate post-submission clarifications (2.2.3)

Conduct Quality moderation

Hold moderation meeting to review scores and rationale

Identify & log significant scoring differences

Document final consensus scores and rationale

Validate pricing evaluation

Conduct commercial assurance of process

Combine final * moderated procurement results in evaluation report

Conduct due ** diligence of suppliers

Move to next ranked bid response

Has the due diligence work identified areas of concern?

—Yes— —No—

Proceed to final award recommendation (2.2.5)

Key:

System enabled process

Parallel process flows

Decision point

Process step

Link to connected process

Notes:
- *The evaluation report should be produced in accordance with Regulation 84 of the Public Contracts Regulations 2015
- **In the future, Project Conclave is seeking to provide links to key supporting evidence for suppliers relating to e.g. relevant accreditations and certifications which may be useful in streamlining due diligence processes and enhancing the user journey both for suppliers and buyers. Due diligence can take the form of a range of different steps, including site visits where relevant, checks on references and / or other final validation checks required to enable award procedures to progress.

Procure
Publication | Selection & Evaluation | Contract award & Implementation

Principles
2.2 Metrics
Process maps

2.2.5 Prepare final award recommendation and 2.2.6 Manage award approvals

Commercial Directorate Sourcing

Conduct moderation and due diligence (2.2.4)

Finalise Evaluation Report *

Notify Commercial/ Programme Director and/or SRO of outcome

Prepare Authority Commercial Approval Board/External Commercial Approval materials (e.g. FBC)

Address conditions raised & notify Authority Commercial Approval Board of completion

Approval with conditions

Proceed to Internal/External Authority Approval

Receive notification of Internal/External Authority Approval

Notify suppliers and commence standstill (2.3.1)

Yes

Authority Commercial Approval Board

Approval

Internal/External Authority approval required?

No

Key:

System enabled process

Parallel process flows

Decision point

Process step

Link to connected process

Notes:
- In accordance with Regulation 84 of the Public Contracts Regulations 2015
- Internal Authority Assurance could comprise of Commercial / Programme Director Approval, internal governance boards, Senior Responsible Officer (SRO), Permanent Secretary, Minister or Secretary of State etc.
- External Assurance could comprise of Cabinet Office, other government departments, external stakeholders etc.

Procure

2.3 Contract award and implementation

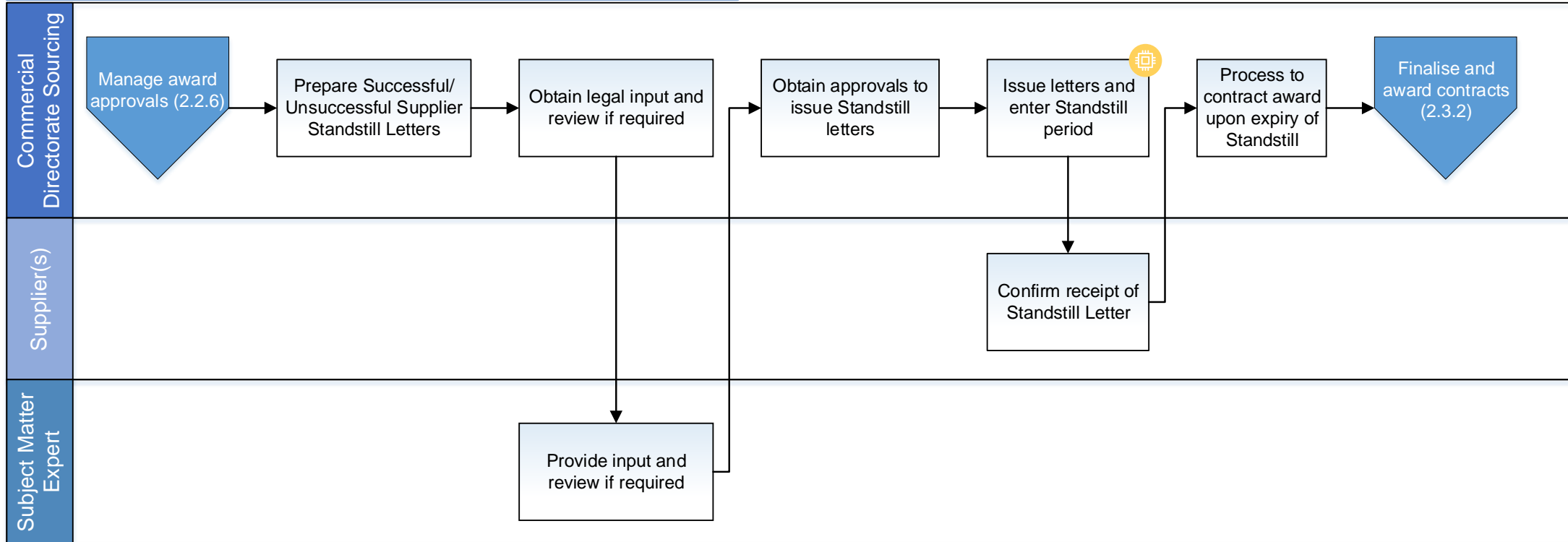|		
2.3.1 Notify suppliers and commence standstill	55	Standstill letters are written and provided to all bidding suppliers explaining the decision their results and the reasons for the highest scoring bid.
	56	If a legal challenge is made during the standstill period, legal are engaged to support in a timely manner.
	57	Standstill letters are issued via the e-sourcing system following approval of the FBC.
2.3.2 Finalise and award contracts	58	The contract schedules are updated and finalised with relevant details from the successful bidder's response.
	59	Governance and signoff requirements have been met, documented and reflected in the final contract as appropriate.
	60	Following expiry of Standstill, final contracts are signed by all parties.
	61	Electronic signing mechanisms are utilised wherever possible.
	62	Where commercially sensitive or other sensitive information has been included as part of the contract, these items will be considered for redaction prior to the publication of transparency notices on Contracts Finder
	63	Contracts above relevant thresholds are published on Contracts Finder and in some cases other systems e.g. TED, Public Contracts Scotland etc.
	64	In line with the cross-government transparency agenda, three KPIs from every new outsourcing contract (Gold contract) will be made publicly available.

2.3 Contract award and implementation

2.3.3 Complete contract implementation	**65**	The Department commercial pipeline is updated upon contract award.
	66	The contract set-up process is recorded on the source to contract system and interdependencies with purchase to pay systems are managed.
	67	Ongoing contract management responsibilities are clear prior to contract implementation. The proportionate level of contract management for the value, duration and complexity of the contract has been determined and captured within a plan early on in the definition of the requirements.
	68	Lessons learned are gathered, documented and made available to relevant stakeholders for future similar procurements.
	69	Complex contracts have associated guidance / handbook(s) explaining key contractual provisions to the wider business users.
	70	Benefits achieved through the sourcing process are captured and a benefits realisation plan over the lifetime of the contract is mapped out.
	71	Contract management kick-off should include gathering corporate resolution planning from the supplier and setting up appropriate financial monitoring.

2.3.1 Notify suppliers and commence standstill

Commercial Directorate Sourcing

Manage award approvals (2.2.6)

Prepare Successful/ Unsuccessful Supplier Standstill Letters

Obtain legal input and review if required

Obtain approvals to issue Standstill letters

Issue letters and enter Standstill period

Process to contract award upon expiry of Standstill

Finalise and award contracts (2.3.2)

Supplier(s)

Confirm receipt of Standstill Letter

Subject Matter Expert

Provide input and review if required

Key:

System enabled process

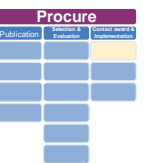Parallel process flows

Decision point

Process step

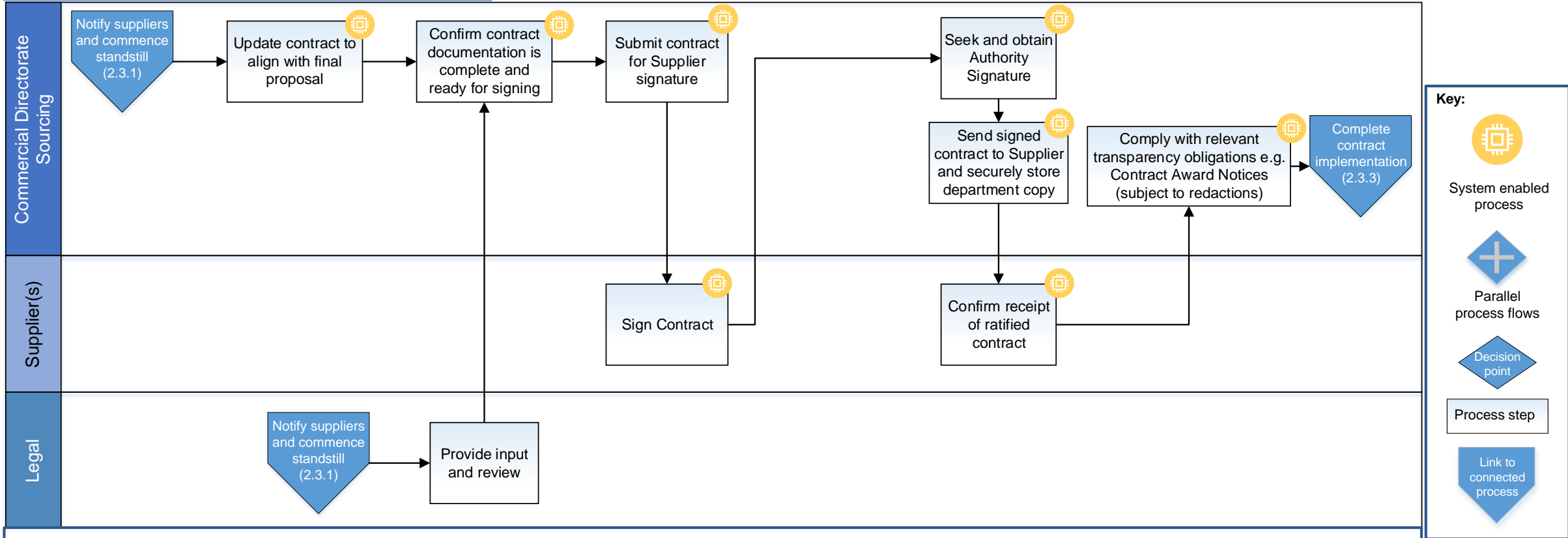Link to connected process

Notes:
- The Standstill period lasts as a minimum 10 days after the last Standstill letter has been sent to Supplier
- In the event of any legal challenge, the Commercial Directorate Sourcing may need to halt all activity in relation to the procurement until resolution

Procure

Government Commercial Function

2.3.2 Finalise and award contracts

Commercial Directorate Sourcing

Notify suppliers and commence standstill (2.3.1)

→ Update contract to align with final proposal

→ Confirm contract documentation is complete and ready for signing

→ Submit contract for Supplier signature

→ Seek and obtain Authority Signature

→ Send signed contract to Supplier and securely store department copy

Comply with relevant transparency obligations e.g. Contract Award Notices (subject to redactions)

→ Complete contract implementation (2.3.3)

Supplier(s)

Sign Contract

Confirm receipt of ratified contract

Legal

Notify suppliers and commence standstill (2.3.1)

→ Provide input and review

Key:

⚙ System enabled process

➕ Parallel process flows

◆ Decision point
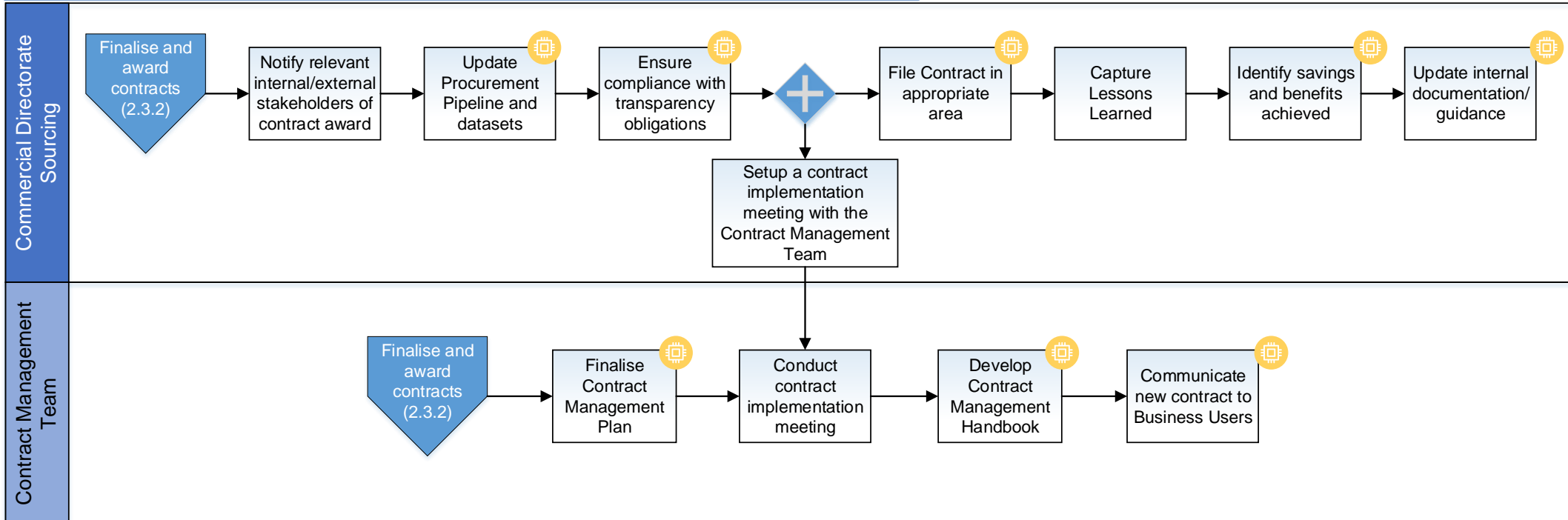
▭ Process step

🔽 Link to connected process

Notes:
- The contract attached to the ITT is used at this stage
-   It is crucial to ensure that any amendments made to the contract by Suppliers are reviewed by Commercial Directorate Sourcing and legal if required
- Transparency notices can include publication on TED, Contracts Finder, departmental websites (see guidance on transparency for required publishing timelines: - Further guidance on transparency requirements can be found at: https://www.gov.uk/government/publications/procurement-and-contracting-transparency-requirements-guidance)

Procure

2.3.3 Complete contract migration and implementation

Commercial Directorate Sourcing

Finalise and award contracts (2.3.2) → Notify relevant internal/external stakeholders of contract award → Update Procurement Pipeline and datasets → Ensure compliance with transparency obligations → [Parallel process flows] → File Contract in appropriate area → Capture Lessons Learned → Identify savings and benefits achieved → Update internal documentation/ guidance

Setup a contract implementation meeting with the Contract Management Team

Contract Management Team

Finalise and award contracts (2.3.2) → Finalise Contract Management Plan → Conduct contract implementation meeting → Develop Contract Management Handbook → Communicate new contract to Business Users

Key:

- System enabled process
- Parallel process flows
- Decision point
- Process step
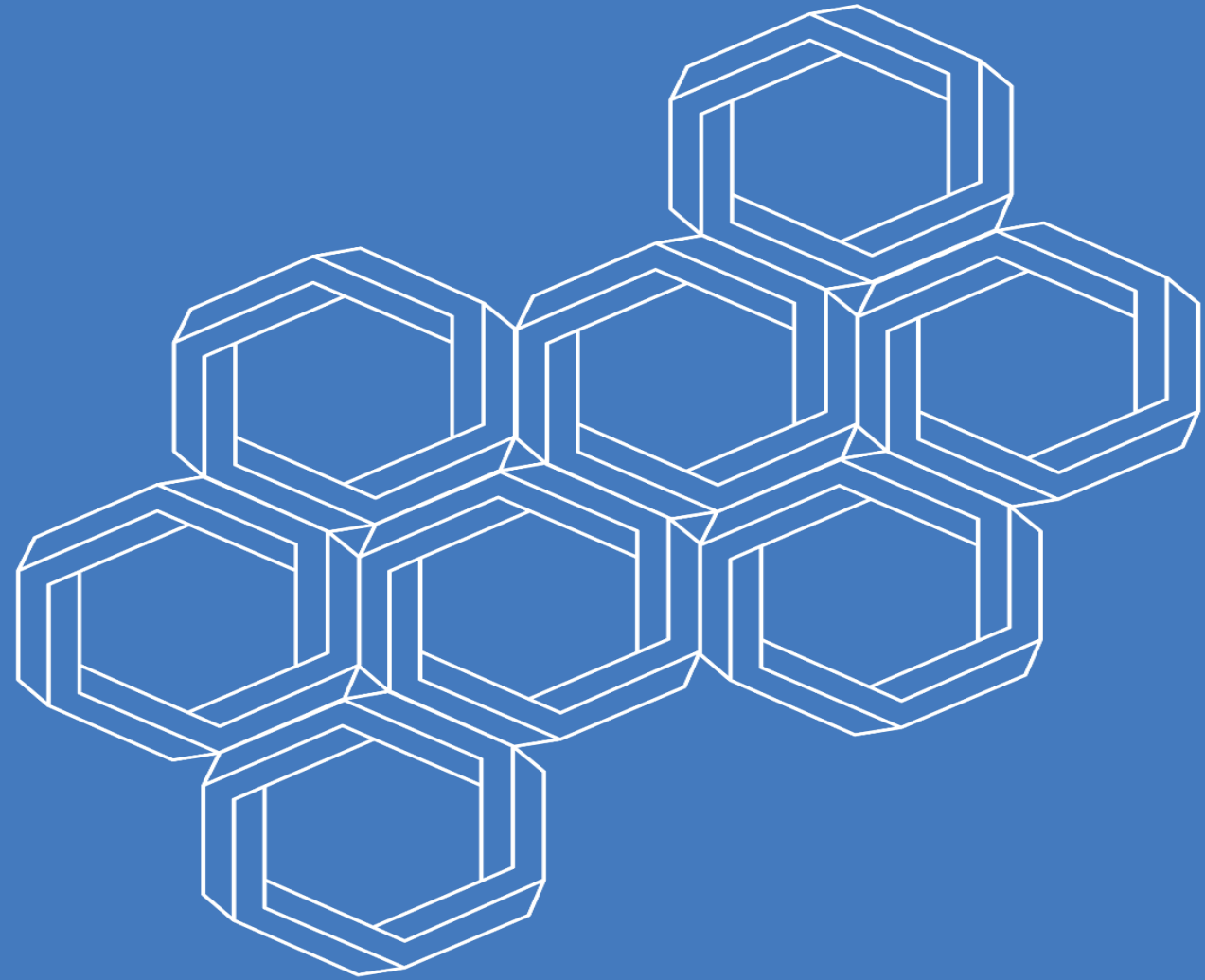- Link to connected process

Notes:
- It is essential that procurement feed into the Contract Management artefacts to ensure they correctly reflect the agreed contractual provisions
- For less complex contracts, the need to produce a handbook may be negligible
- Transparency obligations also include publishing the contract documents and KPIs in some instances (redacted as appropriate). See https://www.gov.uk/government/publications/procurement-and-contracting-transparency-requirements-guidance for further guidance.

3. Transact

3.1 Purchase

3.1.1 Requisition to purchase order	1	Requisitions are raised online using self-service by the individuals that require the goods/services.
	2	System generated approval chains cannot be overridden - Optional approvers can be added to the approval chain in addition to the system generated approver. e.g. for visibility.
	3	Requisitions can be raised and approved on mobile devices (e.g. phones, tablets etc).
	4	Both catalogue and non-catalogue requisitions are approved online by appropriate approvers.
	5	Specific categories of purchases (e.g. IT etc) may require additional approvals (e.g. category manager / buyer etc).
	6	Non-Catalogue requisitions that have been approved are automatically routed to the appropriate category manager / buyer to create a Purchase Order.
	7	All Purchase Orders have an appropriate audit trail in the system (e.g. approved requisition etc).
	8	Purchase Orders are established for a specific value and time period and are proposed extensions any changes are subject to review and approval.
	9	Purchase Orders for services are structured to enable a service to be partially receipted.
	10	Open Purchase Orders are regularly reviewed and actioned appropriately (e.g. closed etc).
	11	Purchase Orders are transmitted electronically directly to the supplier.
	12	Purchase Orders are created prior to suppliers being required to deliver the goods/services, in line with the "No PO No Pay" policy.

3.1 Purchase

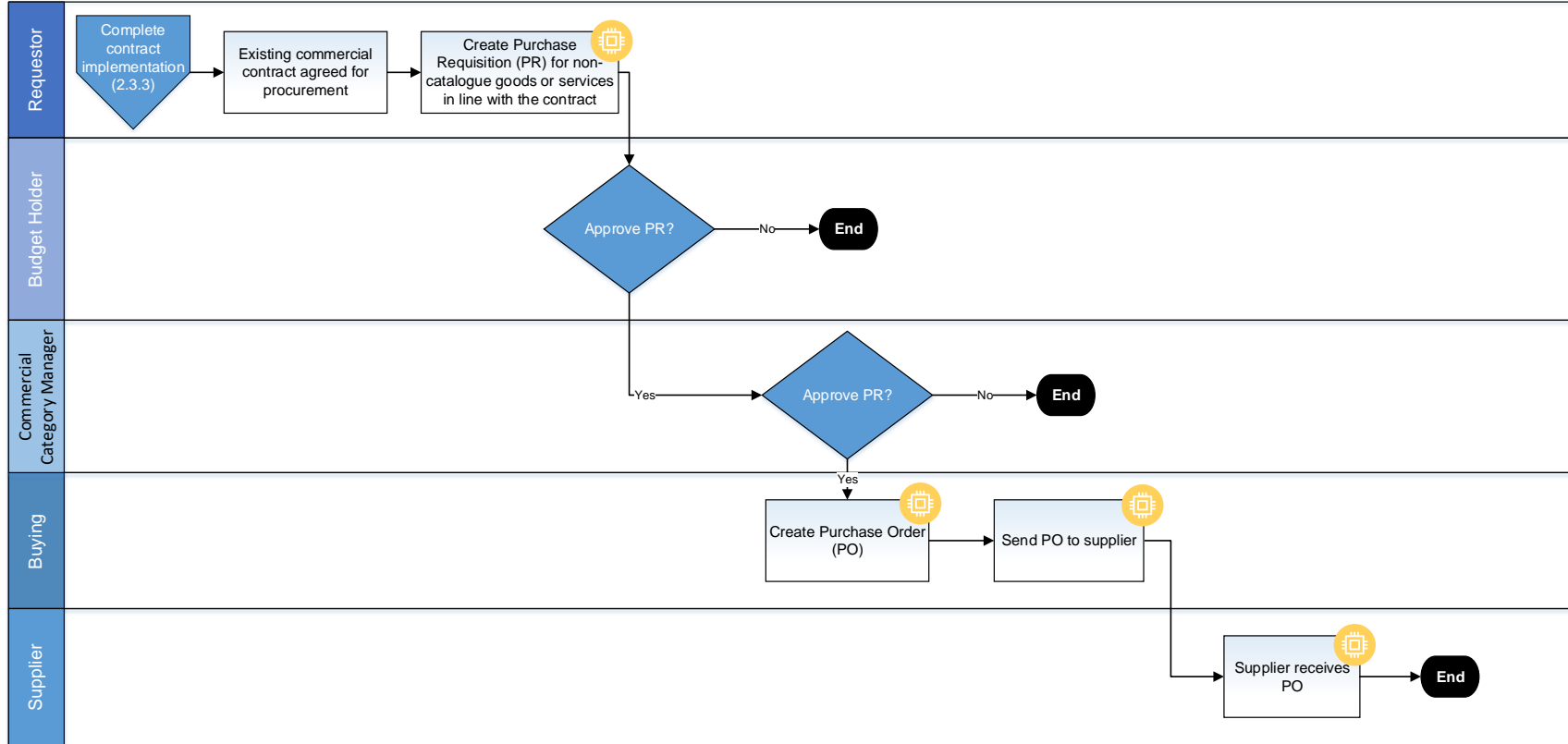|		
3.1.2 Purchase from catalogue	**13**	Goods and services are procured in the correct manner using existing policies and processes.
	14	Procurement catalogues are available to support both goods and services.
	15	The majority of low value / low risk procurement, where no suitable framework agreement exists, is performed through online catalogues.
	16	Like non-catalogue requisitions, catalogue requisitions are approved online by appropriate approvers.
	17	Specific categories of purchases (e.g. IT etc) may require additional approvals (e.g. category manager / buyer etc).
	18	Catalogue requisitions that have been approved are automatically created into Purchase Orders *without* manual intervention.

Purchase

3.1 Purchase

3.1.3 Use procurement card	19	Use of procurement cards should be considered in line with the Pan Government Policy.
	20	Use of the procurement card must be regularly reviewed to ensure the benefits of procurement cards are maximised.
	21	Cardholder assignment is subject to an approval process to ensure criteria set out in departmental policy is satisfied.
	22	Cardholder single transaction and monthly spending limits are set and enforced in line with departmental policy and are consistent with the cardholder's Delegated Financial Authority (DFA) for permissable Merchant Category Groups (MCG) and Merchant Category Codes (MCC).
	23	Spending limits are reviewed periodically so an appropriate level is given to cardholders based on both their actual spend and business need for permissable MCGs and MCCs.
	24	All card transactions should be reviewed and approved online by the cardholder and designated authoriser.
	25	All card documentation including, receipts, logs, monthly statements and payment records, are maintained electronically and securely.
	26	Summary and transactional card statements are used to validate and reconcile card spend by the target date, subject to non-compliance action if the date is not met, as set out in departmental policy.
	27	Departments must publish details of all spending over £500 using payment cards, to comply with the Central Government Corporate Transparency Commitments.

3.1.1 Requisition to purchase order

Requestor
- Complete contract implementation (2.3.3)
- Existing commercial contract agreed for procurement
- Create Purchase Requisition (PR) for non-catalogue goods or services in line with the contract

Budget Holder
- Approve PR? — No → End

Commercial Category Manager
- Yes — Approve PR? — No → End

Buying
- Yes → Create Purchase Order (PO) → Send PO to supplier

Supplier
- Supplier receives PO → End

Key:

System enabled process

Parallel process flows

Decision point

Process step

Link to connected process

Notes:
- The process of requisitioning to the purchase orders will interface with the finance processes
- Purchase Orders are created prior to suppliers being required to deliver the goods/services, in line with the "No PO No Pay" policy.

Purchase to Pay

Purchase

3.1.2 Purchase from catalogue
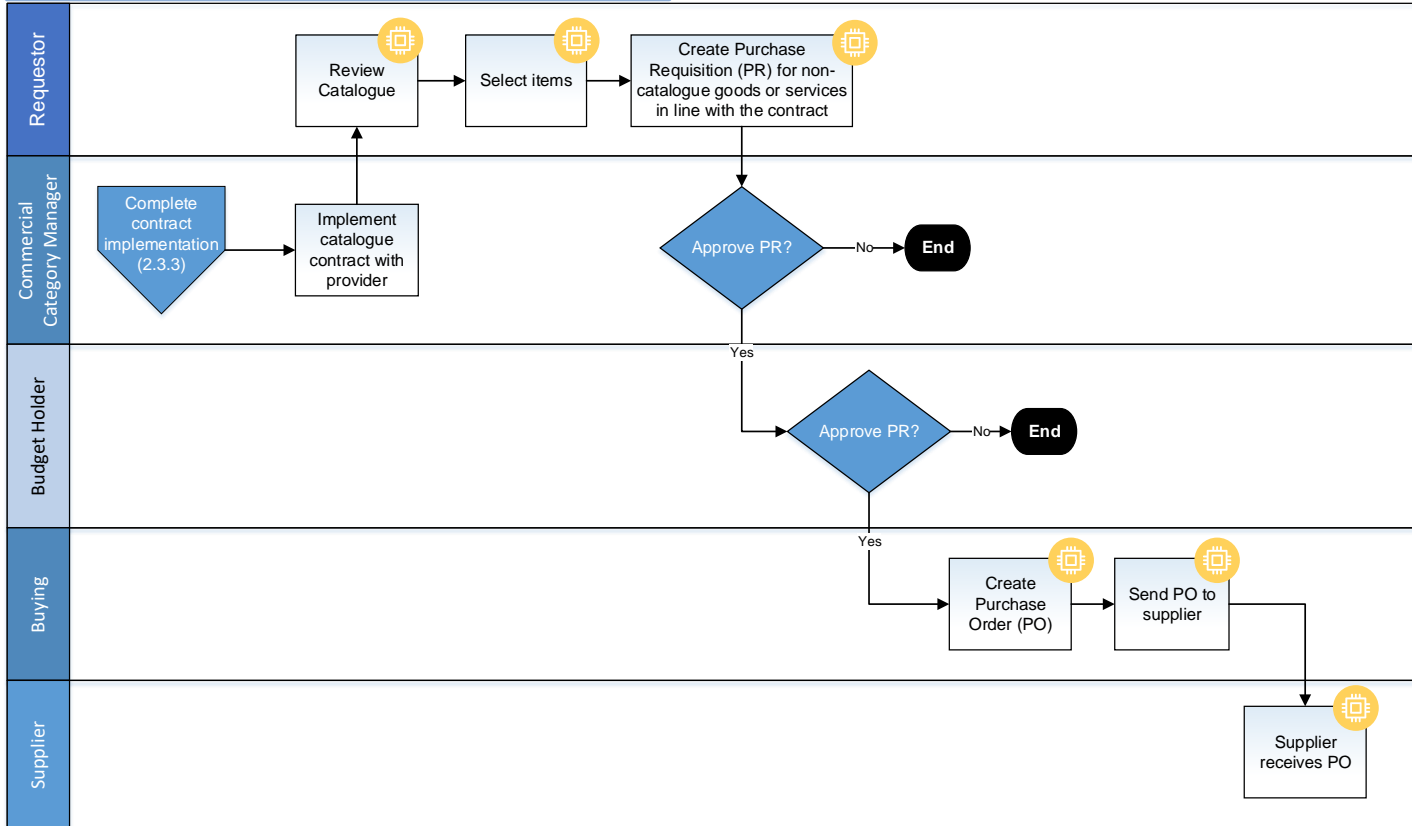
Requestor
- Review Catalogue
- Select items
- Create Purchase Requisition (PR) for non-catalogue goods or services in line with the contract

Commercial Category Manager
- Complete contract implementation (2.3.3)
- Implement catalogue contract with provider
- Approve PR? — No → End
  - Yes

Budget Holder
- Approve PR? — No → End
  - Yes

Buying
- Create Purchase Order (PO)
- Send PO to supplier

Supplier
- Supplier receives PO

Key:
- System enabled process
- Parallel process flows
- Decision point
- Process step
- Link to connected process

Purchase to Pay

Notes:
- Step 2.3.3 in this instance is the contract implementation specifically for the procurement catalogue
- Example scenarios of where a catalogue would be used within procurement would be the purchasing of stationery
- Where possible, such purchases to be underpinned with a form of Procurement Card.

3.2 Purchase to pay master data management

3.2.1 Manage catalogue	28	Procurement catalogues are available to support both the procurement of goods and services.
	29	Catalogues are accessed online and maintained by the suppliers directly, subject to Commercial approval.
	30	Access to sensitive catalogues (e.g. IT, etc.) is restricted to relevant users.
	31	Ensure full supplier credibility of those providing goods and services within the catalogue, they must have the appropriate finance, capability and quality to deliver.
	32	Regular review of the catalogue purchases take place in order to audit compliance and spend.
3.2.2 Manage supplier data	33	Master data is controlled by a central team and all changes are subject to business approval.
	34	Governance forums are established to manage the implications of a shared supplier master file when platforms are used by multiple customers.
	35	Suppliers are able to maintain their own details, including bank account details, subject to appropriate security requirements and notification to the master data owner.
	36	Suppliers are automatically notified following a change to key details, including address and bank account details.
	37	The supplier master file holds the relevant number, indicates whether a supplier is classified as an small, medium enterprise (SME) and it can store additional data fields and classifications to support departmental reporting requirements.
	38	Suppliers conform to a consistent naming convention that is applied across government.
	39	The quality of the supplier master file is regularly reviewed and cleansed to remove inactive, duplicate and out-of-date records.
	40	Regular audits are performed to review the full list of system changes to bank account details.

3.2 Purchase to pay master data management

3.2.2 Manage supplier data	41	Supplier master file changes are consistently applied automatically across all systems that hold the supplier details.
	42	e-commerce solutions are able to support a Dynamic Purchasing System (DPS) model.
	43	One-time suppliers are managed appropriately via the system.
	44	Full adherence to GDPR legislation is maintained.
3.2.3 Manage category data	45	Procurement categories use consistent category hierarchy codes as a cross-government data standard.
	46	Procurement categories can be mapped to either CPV (Common Procurement Vocabulary codes), CAS (Common Areas of Spend codes) or UNSPSC codes to enable consistent spend reporting and analytics to be performed.
	47	Procurement categories determine the chart of accounts values and VAT treatment where possible, which cannot be overridden.

4. Sourcing enablers

4.1 Source to contract master data management

4.1.1 Manage supplier data	1	Master data is controlled by a central team and all changes are subject to business approval.
	2	A consistent naming convention is applied across government when new documentation is created
	3	Regular audits are performed to review the quality of the supplier data and regularly cleansed to remove inactive, duplicate and out-of-date records.
	4	Suppliers are able to maintain their own details, subject to appropriate security requirements and notification to the master data owner.
	5	Suppliers are automatically notified following a change to key details.
4.1.2 Manage contract data	6	Master contract data is controlled by a central team and all changes are subject to business approval.
	7	A consistent naming convention is applied across government when new documentation is created
	8	Regular audits are performed to review the quality of contract data and regularly cleansed to remove inactive, duplicate and out-of-date records.
4.1.3 Manage project and pipeline data	9	Master project and pipeline data is controlled by a central team and all changes are subject to business approval.
	10	A consistent naming convention is applied across government when new documentation is created
	11	Regular audits are performed to review the quality of project and pipeline data and regularly cleansed to remove inactive, duplicate and out-of-date records.
	12	Creation and management of pipelines data is consistent with GCF Commercial Pipeline guidance. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/683067/Commercial_Pipeline_Guidance_Feb_2018.pdf
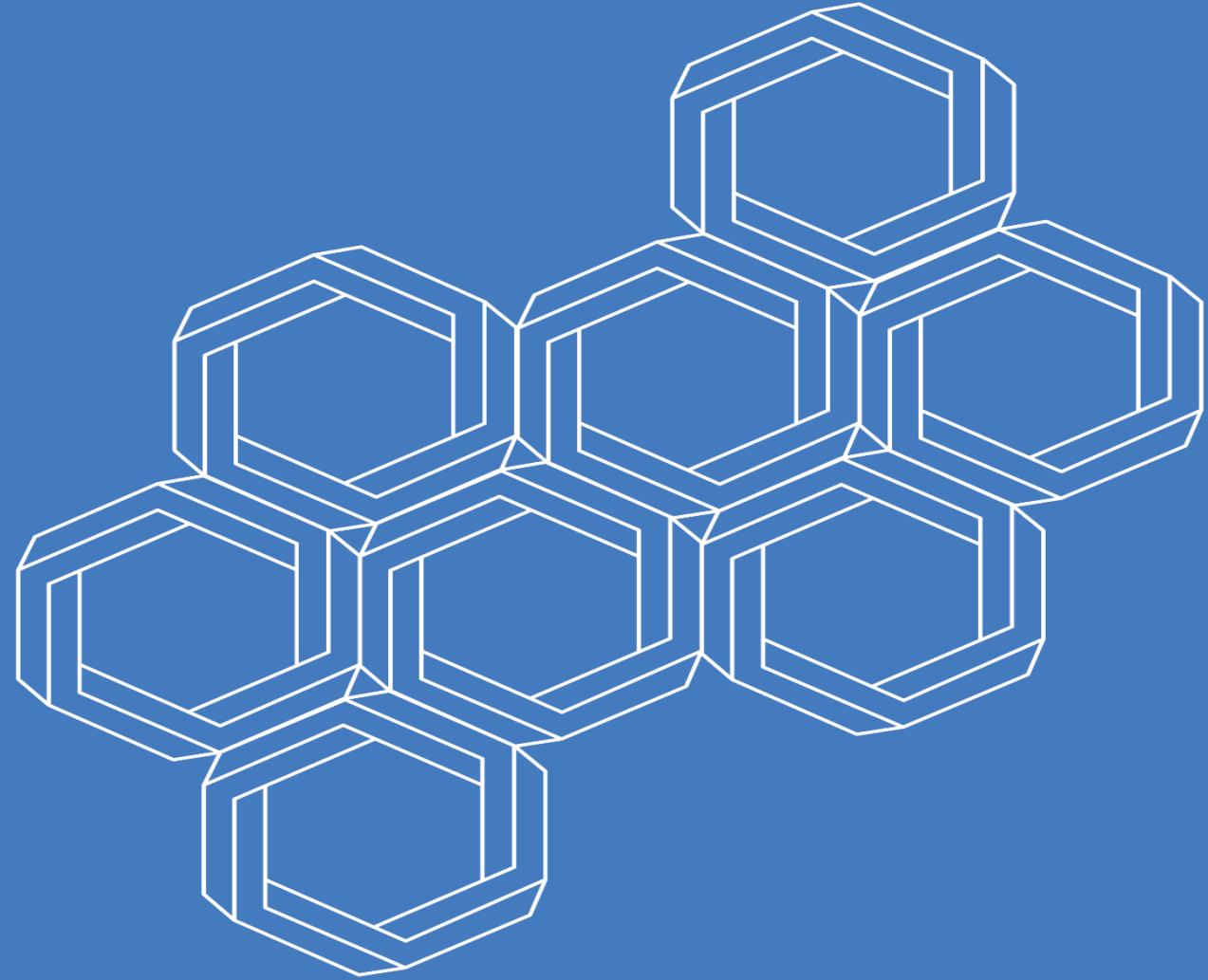
Metrics

Source to contract metrics – key considerations

When defining key metrics for source to contract processes, a number of key questions should be considered:

- **Purpose**: are metrics intended to track progress in implementing change (transformational) or to monitor continuous improvement on a business as usual basis? All metrics should have a clear rationale and objective for what they are intended to measure and why.

- **Proportionality:** are all metrics meaningful, useful and prioritised, linked to the desired outcomes and success criteria to be measured?

- **Feasibility:** what data will be required to track and report on each metric. Can metrics be systems driven and automated?

- **Audience:** how does the scope of the metrics reflect the intended audience, e.g. commercial continuous improvement, business, other stakeholders etc.?

- **Aggregate or case-specific**: which metrics track total aggregate measures across all commercial activity and which apply to an individual sourcing process?

- **Volumetrics vs. performance measures**: distinguish which metrics capture volumes and those metrics where the outcome can be influenced by commercial performance

- **Target levels**: for performance metrics, consider appropriate target levels

Proposed end-to-end metrics

| Theme	Define	Source	Purchase-to-Pay
End-to-end metrics aligning with GCF dashboard	• Average cycle time from Contract Advert to Contract Award • Volume and value of pipeline contracts planned to commence in 18 months • Volume and value of procurements by type (above threshold, existing framework, below threshold) • Volume and value of above threshold procurement by award procedure (open, restricted, competitive dialogue etc.) • Volume and value of contracts awarded by type (extended, competed, direct award, single tender action) • Volume and value of live procurements by spend category • % of spend with SMEs • Payment performance metrics • Commercial control cases		
Additional enablement metrics	• % of procurements where commercial have been engaged in defining the requirements • % of procurements where market engagement pre-sourcing has been used • % of procurements where Contract Tiering Tool has been applied during 'Define' • Level of engagement by suppliers in the process • Volume of clarification questions received • Number of procurements where a challenge case has been brought / resolved • % of procurements utilising standardised templates • % of procurements where evaluation processes are systems enabled • % of procurements utilising external and internal spend analytics and datasets (e.g. CaSIE) to support 'Define' • Level of alignment in master data between S2C and P2P systems • % of total Purchase Order values where the relevant contract reference is included • % procurements where contract managers have been involved prior to award • % compliance with relevant transparency obligations e.g. Contracts Finder		

Proposed process-specific metrics

Level 0	Level 1	Example metrics
1. Define	**1.1** - Business need	• Average time taken to identify and validate team members for procurement activities • Number of times the Contract Tiering Tool has been used proportionate to volume of procurement • Proportion of contracts where commercial is engaged by the business at requirements definition stage
	1.2 - Market analysis and engagement	• Number of procurements where market engagement has been conducted pre-sourcing
	1.3 - Sourcing strategy	• Number of procurements that use a central sourcing strategy template proportionate to number of procurements
2. Procure	**2.1** - Publication	• Number of procurements that use a central ITT template proportionate to number of procurements • Time taken to agree and sign-off procurement documentation • Average time taken to sign-off contract template • Number of transparency notices published in required timescales • Average time taken to respond to Supplier clarification questions • Average number of Supplier clarification questions per procurement exercise
	2.2 - Selection and evaluation	• Number of Suppliers excluded due to failing Selection Questionnaire • Percentage of procurements where evaluation is conducted via a system
	2.3 - Contract award & implementation	• Average time it takes from Publication (2.1) to Finalise and Award Contract (2.3.2) • Number of legal challenges per annum • Average time taken to achieve contract signatures
3. Transact	**3.1** - Purchase	• Number of requisitions awaiting approval with more than one week delay • Percentage of total requisitions awaiting approval with more than one week delay • Percentage of Purchase Orders transmitted electronically • Average number of days from request-to-purchase order • Percentage of total spend (by category) going through a catalogue • Number of procurement cards issued • Total spend by procurement card split by expense category over time
	3.2 - Purchase to pay master data management	• Number of duplicate supplier numbers • Number of duplicate supplier names • Percentage of suppliers with no spend • Percentage of off-contract spend

Appendices
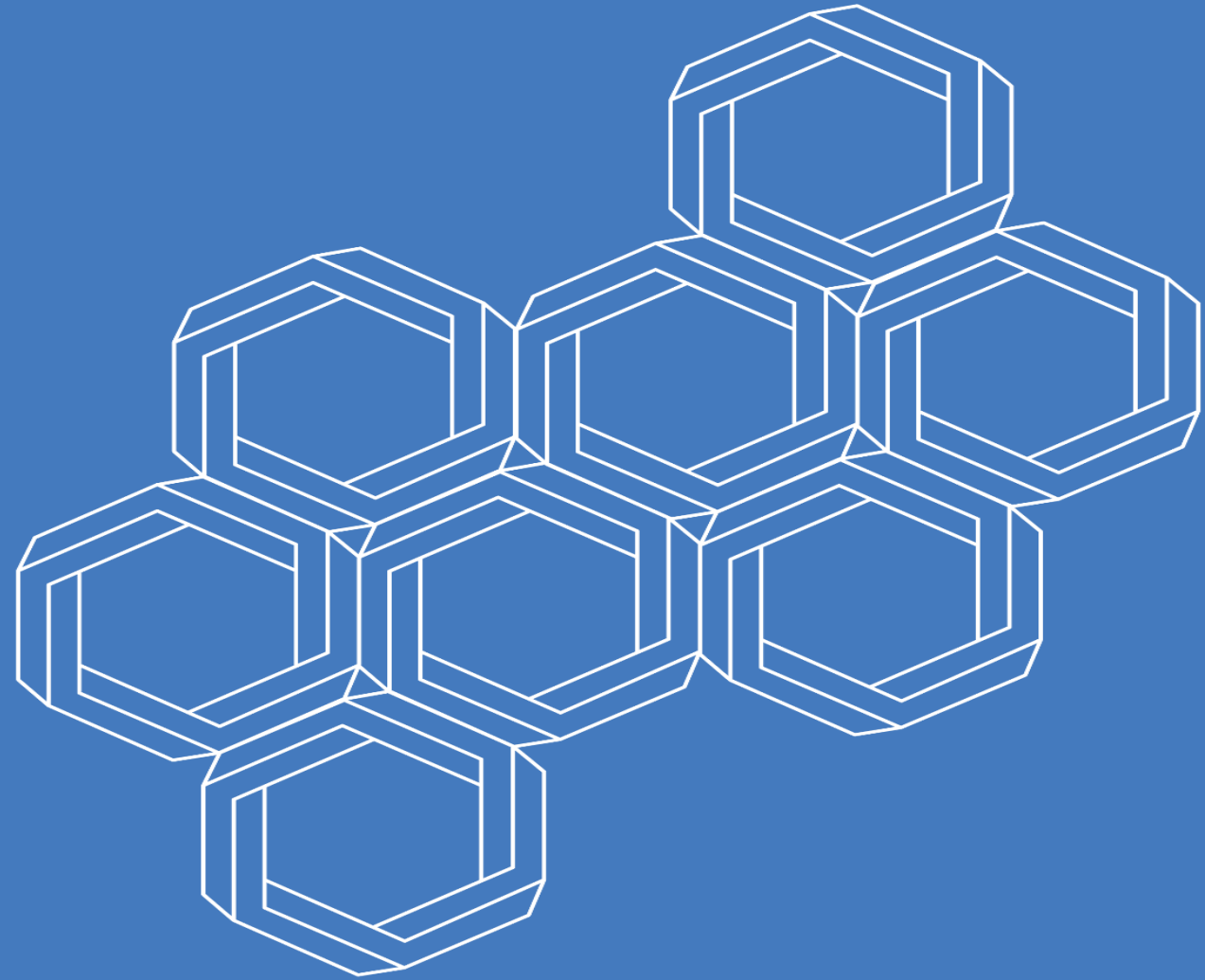
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- Market Management Guidance Note: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/816636/20190710-Market_Management_Guidance_Note.pdf
- CCS Guidance on the Standstill Period: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/560275/Guidance_on_Standstill_-_Oct_16.pdf
- Lean sourcing: guidance for public sector buyers: https://www.gov.uk/government/publications/lean-sourcing-guidance-for-public-sector-buyers
- Contract Finder: https://www.gov.uk/contracts-finder
- Procurement Policy Note: Availability of Procurement Procedures (Decision Tree): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/454417/PPN_12_15.pdf
- Scottish Government procurement journey: https://www.procurementjourney.scot/

Other sources

- Various Department process maps
- Private Sector process maps; including Life Sciences and Media examples