Government Commercial Function

# **Commercial Pipeline**

Supporting the Implementation of the Commercial Continuous Improvement Assessment Framework and Sourcing Programme

1



© Crown copyright 2021 Produced by Cabinet Office

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Alternative format versions of this report are available on request from CommercialStandards@cabinetoffice.gov.uk

# Contents

Introduction	4
Definition of a Commercial Pipeline	5
Purpose of a Commercial Pipeline	6
What is a good pipeline?	7
Summary of Pipeline Requirements: Minimum Viable Pipeline (MVP)	8
Policies relating to commercial pipelines	11
Managing Uncertainty	11
Box 2: Examples of managing uncertainty	12
Publishing (External) Pipelines	13
Supplementary Definitions	16

# Introduction

# Foreword by Andrew Forzani, Government Chief Commercial Officer

In an era where responsible stewardship of public funds is paramount, public sector procurement represents a substantial £400 billion in annual spending—approximately one third of total public expenditure. The need for meticulous planning and management cannot be overstated, as it directly impacts the delivery of public services. The Government is determined to ensure public money delivers economic growth and supports small and medium enterprises (SME's), along with those in the voluntary, charity and social sectors (VCSEs).



Central to this endeavour is our commitment to transparency, a principle that not only enhances accountability but also fosters healthy competition within the markets we operate. By ensuring that our procurement processes are open and accessible, we can provide proper scrutiny of contract awards and demonstrate genuine value for money to taxpayers. A well-structured Commercial Pipeline serves as a vital tool in this landscape, offering critical insights that support the planning and execution of procurements, while simultaneously inviting a diverse range of suppliers to engage with future public sector contracting opportunities.

The publication of Commercial Pipelines promises substantial benefits—facilitating market engagement, optimising resource management, and bolstering transparency. It is essential that contracting authorities rise to the challenge of creating and disseminating comprehensive pipeline data, thereby enriching the potential of our procurement ecosystem. This provides the market with information about current and future public contract opportunities by publishing forward-looking procurement pipelines. This will be of particular benefit to SMEs and VCSEs by providing them with time to plan for future work, prioritise investment and ensure a competitive market.

In alignment with these objectives, the Government Commercial Function (GCF) has developed this Pipeline Guidance document. This resource is designed to empower public sector organisations in maximising the impact of their published pipelines, effectively balancing internal requirements with external market engagement. Additionally, it addresses the dynamic nature of procurement processes, offering strategies to navigate and communicate inevitable changes within the pipeline over time.

Underpinning this guidance are key legislative and policy frameworks, including the Procurement Act '23, the National Procurement Policy Statement, and the Commercial Functional Standard (Gov008), among others. By leveraging these standards, we can build upon existing initiatives that aim to simplify engagement with the Government, thus fostering robust and productive relationships with both current and prospective suppliers.

Ultimately, by prioritising data transparency and opening up market access, we not only support wider economic growth but also create enduring value for the public sector and the communities it serves. Together, we can enhance the efficacy of public procurement, driving innovation and prosperity throughout the UK.

Andrew Forzani Government Chief Commercial Officer.

# **Definition of a Commercial Pipeline**

A commercial pipeline is a forward look of potential commercial activity for an organisation. It is a live tool, updated regularly, providing a list of prospective commercial activities planned by a Contracting Authority. It includes all future potential activity even if funding has not been secured.

Example of commercial activities include the procurement of a contract or a framework, a call-off from a framework, a significant contract amendment<sup>1</sup> or a contract extension.

You should consider how your commercial pipeline links with other business areas that may maintain a forward look of activities, such as investment forecasts, business plans, <u>grants pipeline</u> and <u>spend controls pipeline</u>.

For some Departments they will need to maintain two pipelines:

- 1. Internal Pipeline (as per Box 1 Minimum Viable Pipeline to meet Commercial Spend Controls requirements and adhere to Data Standards); and
- External Pipeline (individual UK1 pipeline notices published on the Central Digital Platform (CDP). The platform will aggregate a "procurement view" automatically to accumulate the contracting authority's procurement pipeline. This will replace the pipeline information that was previously published on gov.uk

<sup>&</sup>lt;sup>1</sup> Examples of significant contract amendments are where there is a material change in scope, including one that results in the contract value changing beyond approval thresholds or regulation thresholds, a change in contract start or end dates that is 6 months or more, novation of the contract, change in supplier or key sub-contractor, or a significant change in the payment model.

# **Purpose of a Commercial Pipeline**

# **Internal Commercial Pipeline**

A commercial pipeline will enable a contracting authority to forward plan and map out clearly the expected future commercial activity (new contract or framework, or major contract change or extension) that it is likely to require. The pipeline can be used alongside other information on internal business planning and governance stages, and other related activities. By mapping out this management information and keeping this regularly refreshed, organisations can:

- Give sufficient planning time for developing and executing a robust commercial strategy, ensuring that all business and commercial options have been thoroughly explored.
- Outline when the required services are intended to be procured.
- Track commercial delivery.
- Give clear management information to inform current and future resourcing for commercial delivery.
- Reduce the need for unwarranted contract extensions by improved planning.
- Support progressive and timely assurance and approvals, including spend controls.

## **External (published) Commercial Pipeline**

Organisations are also required to publish individual UK1 Pipeline Notice on the central digital platform (CDP) about any public contract with an estimated value of more than £2 million including options, in respect of which the contracting authority intends to publish a tender notice or transparency notice during the reporting period to:

- Stimulate the supplier market, including small and medium-sized enterprises (SMEs) and voluntary, community and social enterprises (VCSEs), to make it aware of future opportunities, ensuring a competitive market exists.
- Ensure transparency when going to market.

# What is a good pipeline?

# Timeliness

A good commercial pipeline should be a live tool, updated at each major change and in a timely manner. Where possible, organisations should leverage procurement systems and automation to enable live updates to the pipeline.

Organisations that update pipelines manually may choose to arrange for formal update cycles, submitting pipelines to the Cabinet Office<sup>2</sup> on a monthly or bi-monthly basis and publishing pipelines externally<sup>3</sup> on an annual basis as a minimum, though more frequent updates are encouraged. This does not prevent information on the pipeline being amended as status and major changes occur.

## **Standardisation and Data Standards**

To enable effective sharing and reporting of data, organisations should ensure that data captured is aligned to the Government Commercial Functions Data\_Dictionary, which are based on the <u>Open</u> <u>Contracting Data Standard (OCDS)</u>. Standardisation of pipelines across Government will allow for cross-Government sharing of data and insights. This allows contracting authorities to plan together and ensure that their approach to the supplier market is optimised.

## Time period

The pipeline shall contain a forward look of commercial activities that are to take place in the next 18 months as a minimum. Where possible, contracting authorities should go beyond this to gather information about procurement activities they reasonably expect to undertake in the next 3-5 years.

## **Minimum Viable Pipeline**

A good commercial pipeline should also have sufficient information to support planning. To establish consistency across Government, the Government Commercial Function has outlined a "minimum viable pipeline" (MVP) which aligns to the UK1 Pipeline Notice mandatory requirements.

The MVP (see Box 1) lists the minimum information (publishable requirements) as well as recommended additional information that shall be documented and maintained in a pipeline. Fields marked as "Best Practice" can enable further insights and efficiencies. Further additions to the pipeline information may be included where they suit how your organisation operates (e.g. Framework, Triage Proposal, Contract Risk, suitability for SMEs etc).

While some information is expected to be unknown early in the process, all fields that are marked with an Asterix (\*) should be available right from the beginning.

The MVP is designed to be owned by the contracting authority. Local terms that are equivalent to those outlined in the MVP can be used.

<sup>&</sup>lt;sup>2</sup> Central Government Authorities and their arm's-length bodies only

<sup>&</sup>lt;sup>3</sup> As required by UK1 Pipeline Notice

# Summary of Pipeline Requirements: Minimum Viable Pipeline (MVP)

No.	Field	Definitions	Published (external) Procurement Pipeline	Cabinet Office Pipeline (commercial spend controls)	
1	Reference number*	The unique reference number which a contracting authority will allocate to any commercial activity noted on the pipeline.		Required	
2	Contracting Authority Name	Contracting Authority Name allocated to the organisation	Required	Required	
3	Business Area*	The business area/organisation owner for this contract.	Not required	Required	
4	Procurement Title*	The planned or published commercial activity name.	Required	Required	
5	Procurement Description*	A short contextual entry on the commercial activity. This must include what is being procured and reference the overarching programme the procurement forms part of, when relevant.	Required	Required	
6	Commercial Strategy (anticipated)	The planned commercial approach for the commercial activity. Potential options include:Not requiredRequire1. New requirement, 2. Re-procurement (same scope), 3. Re-procurement (different scope), 4. Extension (in contract), 5. Contract amendment. See below for definitions of these options (Supplementary Definitions)Not requiredRequire		Required	
7	Existing Contract end date	The date on which the existing contract is due to end, i.e. the first date that the contract needs replacing by. (If this is a new requirement, please leave it blank.)	Not required	Required	
8	Expected date for OBC	The planned date for internal approval of the Outline Business Case (OBC) <sup>4</sup> (or equivalent).	Not required	Required	
9	Expected date for	The planned date for internal approval	Not required	Required	

<sup>&</sup>lt;sup>4</sup> See here for Green Book definitions of Business Case stages <u>https://assets.publishing.service.gov.uk/media/623d99f5e90e075f14254676/Green Book 2022.p</u> <u>df</u>

	FBC	of the Full Business Case (FBC) <sup>5</sup> (or equivalent).			
10	Estimated The planned date of official commencement of the procurement e.g. release of tender or commencement of a further competition under a framework agreement.		Required	Required	
11	Estimated contract commencement date*	The planned start date on which the contract becomes effective.		Required	
12a	Estimated contract length*	The estimated duration (in months) of the contract excluding options to extend	Required	Required	
12b	Estimated extension option - length			Best practice	
13a	Estimated contract value	The estimated total value of the new contract excluding options to extend.		Required	
13b	Estimated extension option - value	The estimated value of the extension options, if applicable. (If not applicable, please leave it blank.)	Not required	Best practice	
14	Planned procedure type <sup>6</sup>	The planned/expected procurement vehicle being used to source the contract, such as Open procedure, purchase from Framework Agreement or Dynamic Market (see Supplementary Definitions).	Required	Required	
15a	Framework/DPS IDThe ID of the framework that the contracting authority plans to use to procure the contract. e.g framework ID under the Crown Commercial Services. This also includes frameworks by any other providersNot requiredBest prace		Best practice		
15b	Framework/DPS Name	k/DPS Where applicable, the name of the Framework Agreement which the contracting authority plans to procure the contract. (If not applicable, please enter N/A.)		Best Practice	
15c	Framework/DPS Lot	If the contracting authority is proposing to use a lot the name as it appears on the framework providers website		Best Practice	
16a	Spend category*	The procurement classification which	Required	Required	

<sup>5</sup> See here for Green Book definitions of Business Case stages

https://assets.publishing.service.gov.uk/media/623d99f5e90e075f14254676/Green\_Book\_2022.p

<sup>&</sup>lt;sup>6</sup> From 1 April 2026 Central Government Authorities and ALBs will be required to publish a UK1 Pipeline Notice per Call-off from PCR 2015 Frameworks.

		is attributed to the commercial activity, in Common Procurement Vocabulary (CPV) format.		
16b	Spend category code*	The Common Procurement Vocabulary (CPV) alphanumeric identifier relating to the main spend category.	umeric identifier relating	
17	Organisation category	Where applicable, procurement classification as per the organisation's internal spend taxonomy. Where an organisation has a category management approach, this field would align with this taxonomy. (If not applicable, please enter N/A.)Not requiredBest prace Best prace		Best practice
18	Contract Classification (Tiering/Type)	the level of importance of the contract		Required
19a	Existing Contract	The name of the existing contract(s) where the commercial activity is intended to replace an existing contract, if applicable. (If this is a new requirement, please enter N/A.)	Not required	Required
19b	Existing Contract Reference number	The unique reference number which the contracting authority has allocated to the existing contract, if applicable. (If this is a new requirement, please leave it blank.)	Not required	Best practice
20	Existing Supplier	blier The current supplier of the service, if applicable. (If this is a new requirement, please enter N/A.)		Required
21	Main Contact	The name and contact details of the single point of contact. This is normally the commercial lead of the activity.Not requiredRequired		Required
22	Supporting comments	Additional comments that Contracting Authorities want to share	Not required	Best practice

# Policies relating to commercial pipelines

Ownership and maintenance of a comprehensive pipeline for the purpose stated above forms part of how contracting authorities should approach adherence to the <u>Government Functional Standard</u>, <u>GovS 008: Commercial</u>.

Certain contracting authorities are required to submit their internal commercial pipelines to the Cabinet Office and/or publish details of commercial activity via a UK1 Pipeline notice on the Central Digital Platform (CDP). These pipelines are a subset of the internal commercial pipeline maintained by the contracting authority.

# Cabinet Office Commercial Spend Controls

Contracting Authorities that are subject to <u>Cabinet Office commercial spend controls</u> should submit an extract of their full commercial pipeline consisting of transactions with contract value £20m (excluding VAT) and above, with a minimum forward look of 18 months. Frequency of submission should be agreed with the spend controls team, with a minimum of every quarter. A risk assessment of each commercial activity on the pipeline should also be conducted.

### <u>Construction Playbook</u>

The <u>National Infrastructure and Construction Procurement Pipeline</u>, published by the Infrastructure and Projects Authority, will use the existing commercial pipeline as a starting point but may require additional information from relevant contracting authorities given the specialist nature of the publication. Future Pipelines will seek to incorporate procurement information as well as future planned investment, as presented in the <u>National Infrastructure</u> and <u>Construction Pipeline 2018</u>.

Other functions and/or business areas may also maintain a forward look of activities, for example investment forecasts, business plans, grants pipeline, <u>digital and technology pipelines</u>. The various pipelines will function differently and have some overlaps. They may include different information from the Minimum Viable Pipeline (Box 1) that is specific to the sector. The commercial pipeline consists of commercial transactions while the other pipelines will or may include other project/programme spend including civil service resources.

# **Managing Uncertainty**

Contracting authorities should add information about a potential commercial activity onto the commercial pipelines as early as possible. The information documented in their commercial pipelines should be as up to date as possible. There are times when plans change, and anticipated procurements may move or be amended for a variety of reasons, including receiving feedback

from market engagement, changes to funding, and changes to authorities' strategy. Where information is not yet known, the contracting authority should enter approximate information and further information can be provided in the "Supporting Comments" field. Commercial Leads should be inputting accurate information at the time of completing the Pipeline, this information can be changed later in the development if required.

Regardless of the uncertainty, information in Box 1 that are marked with an Asterix (\*) should be available right from the beginning rather than left blank.

# **Box 2: Examples of managing uncertainty**

(1) Indicative and changing information

The following table shows how the information published on the pipeline for a procurement project planned in June 2025 changes over time due to changing circumstances and information.

Timeline	Planning activities	Pipeline information	Commentary
Apr 2025	Planning for a procurement Procurement start date: Jun 2025 procedure type: Framework	Proc start date: 15 Jun 2026 procedure type: Framework	I do not know when exactly my procurement will be in June and I have put in an indicative date.
Aug 2025	Due to an unforeseen worldwide event, procurement plans are delayed by approximately 3 months Procurement start date: Oct 2025	Proc start date: 15 Oct 2026 procedure type: Framework	I update the procurement start date in the pipeline to the best of my knowledge.
Jan 2026	Following market engagement activities, it has been decided that Framework is not the best procedure type. I also need more time to conduct the procurement and foresee a delay of 1 month	Proc start date: 15 Nov 2026 procedure type: Open procedure	I update the procedure type in the pipeline following market engagement and the anticipated procurement start date.

# (2) Unknown information

At the earliest planning stages of a procurement, it is expected that some data fields are unknown and "to be confirmed". Information also changes over time. The table below shows how information is built up over time, and is firmed up closer to the procurement start date.

However contracting authorities should always seek to enter forecasted information based on planning at that point of time, rather than leave the data field as unknown. The contracting authority can use the "supporting comments" field to provide further context.

While dependent on size and complexity of a procurement, there should be no blanks 12 months prior to the start of the contract.

Date of pipeline publication	Contract title	Estimated Procurement start date	Planned procedure type	Estimated Contract value	Estimated Contract length
Apr 2025	Security service	15 Jun 2026	Framework	To be confirmed (left blank)	To be confirmed (left blank)
Aug 2025	Security service	15 Oct 2026	Framework	£5m	24 months
Jan 2026	Security service	15 Nov 2026	Open procedure	£5m	24 months

# **Publishing (External) Pipelines**

# Publishing procurement pipelines - supporting suppliers

In line with the Sourcing Playbook, publishing a *forward look* of procurement opportunities<sup>7</sup> is one way of supporting potential suppliers and achieving a diverse mix of suppliers. Pipelines should be considered as one of a range of interventions to broaden and strengthen markets, including early market engagement, and activities to support new suppliers in understanding how to bid for public sector business.

The Sourcing Playbook provides the policy on publishing pipelines and the National Procurement Policy Statement provides the minimum requirements. Contracting authorities are encouraged to go beyond the minimum requirements, as detailed in this guidance. Organisations should consider how these requirements could be built on in the future to provide greater support to markets, and particularly to SMEs and VCSEs.

# What information should be published

The published pipeline should be an extract of the internal pipeline that the organisation holds including all commercial activities.

The published pipeline shall contain a forward look of commercial activities that are to take place in the next 18 months as a minimum *from the date of publication*. Where possible, contracting authorities should go beyond this to publish information about procurement activities they reasonably expect to undertake in the next 3-5 years. The published pipeline is a forward look and therefore should only include activities where the procurement or extension has not yet started.

Where there are national or international security-related reasons for not publishing information about a procurement, then this information should not be published. It is expected that there will only be a very small number of such exceptions.

## When to publish a pipeline

A contracting authority (that meets the UK1 Pipeline Notice publication threshold) must publish a pipeline notice before the end of the period of 56 days beginning with the first day of the financial year. This will be 1st April 2025 i.e. before 27th May 2025.

The pipeline notice covers any public contract with an estimated value of more than £2 million in respect of which the contracting authority intends to publish a tender notice or transparency notice during the reporting period. The "reporting period" means the period of 18 months beginning with the first day of the financial year - So the reporting period for the pipeline due in FY 25/26 will run from April 2025 until Oct 2026 and then the reporting period for FY26/27 will run from Apr 2026 to October 2027.

There are therefore likely to be occasions where a procurement published in a pipeline for one FY are still awaiting publication of a tender or transparency notice in the following FY and are still

<sup>&</sup>lt;sup>7</sup> Procurement opportunities include procurement of contracts, procurement of frameworks and call-offs from frameworks.

within the same reporting period of the initial pipeline (i.e. any time within the last 6 months of the initial reporting period). As per the PA23 these projects would therefore still need to be included in the pipeline for the subsequent financial year (assuming that the CA is still required to publish a pipeline for that year, i.e. they'd still meet the £100m threshold for that FY).

### Where to publish the pipeline

Central Government Authorities can meet their publication requirements by publishing a UK1 Pipeline Notice on the Central Digital Platform within the required timeframe.

### **Republishing a Pipeline**

In these scenarios contracting authorities are encouraged to <u>edit</u> their existing pipeline notice on the central digital platform and update the relevant dates (as opposed to creating a separate notice). This must happen no less than once a year, but contracting authorities are encouraged to review and update their information more frequently than this, best practice is every 6 months as a minimum. Contracting authorities should allow sufficient time for internal review, redaction, and publication through communications teams to meet the legislated timeline. The length of the published pipeline will vary depending on the nature of the contracting authorities spend (see Supplementary Definitions for more information).

### When should a Contracting Authority republish?

As noted above, if a procurement project rolls over from one FY to the next <u>without</u> a tender or transparency notice being published, contracting authorities are required to include this project in the pipeline for the subsequent FY.

If the project has already been included in a previous pipeline notice (e.g., FY 2025/26), and a tender or transparency notice <u>was</u> published in that FY, there is no need to include the project in a new pipeline notice for FY 2026/27. It is sufficient to rely on the original notice if no new tender or transparency notice is being issued.

The obligation to publish a pipeline notice only arises if the contracting authority plans to issue a tender or transparency notice for a project during the relevant reporting period (18 months). If the CA does not plan to publish such notices in the subsequent financial year, there is no need to reinclude the project in the pipeline notice for that year.

If the contracting authority does not intend to publish a tender or transparency notice for their procurement project they have the opportunity to 'close down' this record by publishing a procurement termination notice. This will remove the procurement from their pipeline on the central digital platform.

## Managing uncertainty with the supplier market

Contracting authorities should come to reasonable judgements about which potential procurements to publish, considering the likelihood of the procurement going ahead and factors such as the availability of funding. There will be other times when procurements become required at short notice and may take place without having been included on a pipeline.

Information published on a pipeline is provided for planning purposes only and *does not* create any commitment to undertake all or any of the activities as set out in the pipeline. It is only an indication of potential opportunities. Similarly, contracts awarded for procurements that were not included on a pipeline will not be invalid because they were not included.

Contracting authorities are encouraged to be transparent about future procurements and share information as early and as fully as is possible. Where appropriate, organisations can consider publishing a range of values rather than precise information (such as providing a value range for contract value or only the month and year for dates).

# **Supplementary Definitions**

Ref	Field	Description
а	New Requirement	This is where there is a new requirement and this has not been procured in the past.
b	Re-procurement (same scope)	The re-procurement of a good or service with the same scope to the current contract.
с	Re-procurement (different scope)	The re-procurement of a good or service but with a different scope to the current contract.
d	Extension (in contract)	The current contract is being extended and has provision to do so.
е	Contract amendment	The current contract is being amended significantly.
f	Framework	This is a contract which is being procured via a framework.
g	Dynamic Market	This is a public sector sourcing tool for services and goods. It is similar to an electronic framework, but new suppliers can join at any time.
е	Pipeline Length	The time period that the pipeline covers. For both the external and internal pipeline, this covers the date that the pipeline is published to the start-date of the last recorded procurement activity.

# **Procedure types**

The potential options for procurement procedure types are:

- Open procedure
- Competitive flexible procedure
- Dynamic Market
- Direct Award
- Award in accordance with a framework with competition
- Award in accordance with a framework without competition,
- below threshold procurement
- Non PA23 commercial tool mini competition, or direct award

# Contacts

Enquiries about this document should be directed to the Commercial Digital, Data and Shared Services Team at <u>commercialdds@cabinetoffice.gov.uk</u>