



Crown  
Commercial  
Service

# Procurement Policy Note: Availability of Procurement Procedures (Decision Tree)

Action Note 12/15 30 July 2015

## Issue

1. Since 2011 there has been a policy about the choice of procurement routes (e.g. Open or Restricted procedures) and the rationale supporting it. The Lean sourcing process contains a Procurement Route Decision Tree (the Decision Tree) which reflects this policy.
2. With the introduction of the Public Contracts Regulations (PCR) 2015 there are new choices available and the policy, together with the Decision Tree, needs to be updated to take account of these.
3. The Crown Commercial Service (CCS) has produced guidance on the changes to the procedures resulting from the PCR 2015 which is available on GOV.UK:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/436230/guidance-on-changes-to-procedures.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/436230/guidance-on-changes-to-procedures.pdf)

## Dissemination and Scope

3. The contents of this Procurement Policy Note (PPN) apply to all central government departments including their executive agencies and non-departmental public bodies. Together these are referred to in this PPN as 'In-Scope Organisations'. Other contracting authorities (e.g. in local government and wider public sector) may choose to use the guidance set out in this PPN.
4. This PPN replaces the relevant provisions (in particular Annex A) of PPN 04/12 dated 9 May 2012.
5. Please circulate this PPN within your organisation, its executive agencies and non-departmental public bodies and to all contracting authorities for which you are responsible, drawing it to the attention of those with a purchasing role.

## Timing

6. Immediate.

## Action

7. In-Scope Organisations should refer to the CCS guidance on the changes to procurement routes resulting from the PCR 2015 and should adopt the revised Decision Tree attached at Annex A when considering their choice of procurement route.

8. In-Scope Organisations should also note that the general policy expectations on procurement continue to apply, in particular:

- a) In-Scope Organisations should use the principles of Lean sourcing for all procurement above the relevant OJEU threshold;
- b) There is a strong preference for the Open Procedure and this should be the normal default choice for government procurement;
- c) Procurement should not take longer than 120 working days, measured from publication of the OJEU notice to award of contract, except in the case of complex procurements;
- d) The Restricted procedure should only be used where there is a genuine need to pre-qualify bidders or where there is evidence that (after effective pre-procurement market engagement) the market, and therefore the number of potential bidders, is very large.

9. The new Decision Tree shows a clear preference for the Open procedure as the normal route, with the other choices shown as exceptions. We have noted in the Decision Tree some distinction between the suitability of the two procedures for more complex procurement. In particular, the Competitive Procedure with Negotiation offers an attractive new choice for those procurements where although some element of negotiation is needed, it is possible to specify a minimum requirement from the outset. However, the Competitive Dialogue now provides for clarification and optimisation after the final call for tenders and has no minimum requirement at the outset, making it much better for highly complex outcome based procurement.

## Contact

10. Enquiries about this PPN should be directed to the helpdesk 0345 410 2222 or [info@crowcommercial.gov.uk](mailto:info@crowcommercial.gov.uk)

## Background

11. The Public Contracts Regulations (PCR) 2015 have introduced new choices of procurement procedures. These are the new innovation partnerships procedure and changes to the Competitive Dialogue procedure and the competitive procedure with negotiation.

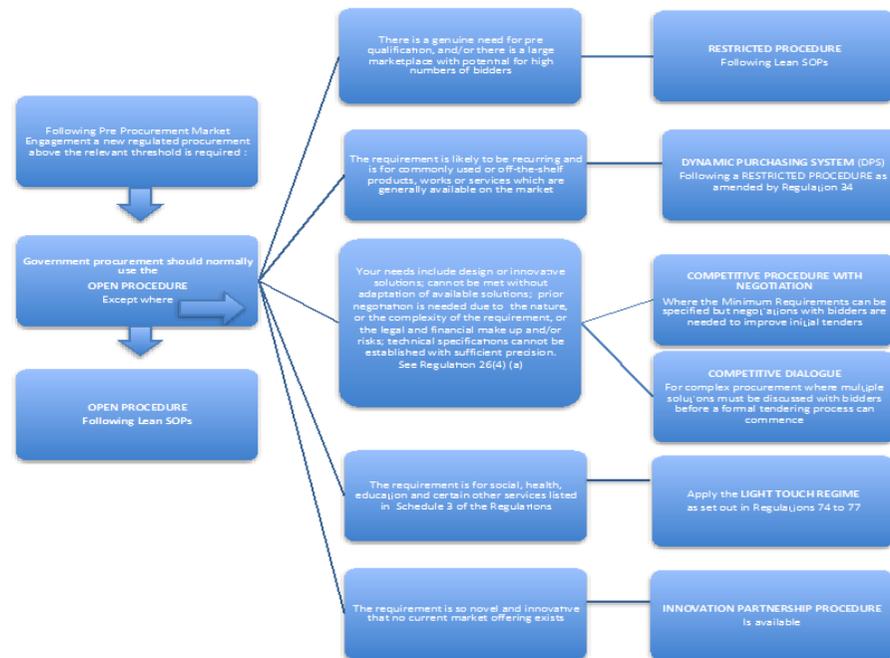
12. The relevant Regulations are Regulation 29 for competitive procedure with negotiation, 30 for competitive dialogue and 31 for innovation partnerships.

13. The main changes to Competitive Dialogue and Competitive Procedure with Negotiation are:

- The grounds for using the competitive procedure with negotiation and the competitive dialogue procedure have been made the same; and
- These grounds have been broadened, so that more procurements could be carried out using these procedures.
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14. Innovation partnerships have been introduced to allow contracting authorities and suppliers to work together through a partnership agreement to develop new products, works or services, where these are not already available on the market.

# Annex A: Procurement Route Decision Tree



**Notes:**

1. This is intended as a guide to choosing the right procurement procedure. It is not legal advice nor does it constitute an exhaustive description of all of the options or considerations that may be applicable. If in any doubt as to how to proceed you should take appropriate professional advice.
2. A new regulated procurement does not include further competitions or call offs under existing Framework or DPS contracts.