



Our ref: 2016/12732

Your ref:

Date: 16 January 2017

Dear [Redacted]

Thank you for your email of 22 December 2016 providing clarification to your request for information dated 8 December 2016, where you requested the following information:

- *What is the total percentage of spend classed as 'maverick spend' across your department in the following financial years?*

<b>Timescale</b>	<b>Maverick spend percentage</b>	<b>Maverick spend total</b>
2012 – 2013		
2013 – 2014		
2014 – 2015		
2015 – 2016		

- *Does your organisation have a sanction system in place for non-compliance to procurement practices?*
- *Does your organisation have incentives in place to encourage compliant sourcing?*
- *Does your organisation have a certain amount of quotes it must obtain for different levels of value? i.e Five quotes for spend over £10,000.*

Thank you for clarifying that maverick spend is also known as off-contract purchasing.

We are treating your correspondence as a request for information under the Freedom of Information Act 2000 (FOIA).

A search for the information has now been completed within the Ministry of Defence (MOD), and we can confirm that some information in scope of your request is held.

The information you have requested can be found below.

**1. What is the total percentage of spend classed as 'maverick spend' across your department in the following financial years?**

There have been no occurrences of off-contract purchasing ('maverick spend') at Dstl during financial years 2012-2013, 2013-2014, 2014-2015 and 2015-2016.

**2. Does your organisation have a sanction system in place for non-compliance to procurement practices?**

There are various sanctions available in relation to non-compliant procurement practices:

- Dstl staff are civil servants and must operate in accordance with the Civil Service Code; breaches of the code are investigated by the Civil Service Commissioners.
- It is a disciplinary offence for Dstl staff to commit the organisation to any procurement without holding an appropriate written delegation.
- In accordance with HM Treasury policy regarding public expenditure, Dstl operates a formal segregation of duties within the purchasing cycle. Any staff member found attempting to circumvent the segregation may be subject to disciplinary action.
- As part of HM Government, Dstl ensures that the Treaty on the Functioning of the European Union (TFEU) applies to all Dstl procurement.

### **3. Does your organisation have incentives in place to encourage compliant sourcing?**

Dstl does not have incentives in place to encourage compliant resourcing. Compliance with procurement practice is mandated as part of the Dstl Management System, which sets out the policies, processes and procedures for Dstl's management requirements. These apply to all Dstl staff.

### **4. Does your organisation have a certain amount of quotes it must obtain for different levels of value? i.e Five quotes for spend over £10,000.**

Dstl follows MOD procurement policy, which means that:

- For procurement valued above £106,047:
  - in a restricted (or similar exempt) procedure, Dstl must typically aim to invite up to a maximum of 10 formal tenders.
  - in a competitive negotiated or dialogue (or similar exempt) procedure, Dstl must consider what is the best maximum number of tenderers in a trade-off between obtaining value for money and keeping the procedure manageable.
- For procurement valued below £106,047 but above £10,000:
  - Dstl must invite a minimum of three tenders in an advertised call for competition. If less than three suppliers respond, Dstl can still ask for tenders but only from those who responded.
- For procurement below £10,000 but above £5,000:
  - Dstl must seek three written quotes where the requirement is described in clear unambiguous terms that will enable suppliers to deliver the contract, and no information other than price will be assessed before awarding the contract. If these conditions cannot be met, Dstl must invite a minimum of three tenders in an advertised call for competition.
- For procurement below £5,000:
  - Dstl must conduct a periodic test of the market by seeking quotes from potential suppliers, and obtaining prices by using local/trade directories or the internet.

If you are not satisfied with this response or you wish to complain about any aspect of the handling of your request, then you should contact us in the first instance at the address above. If informal resolution is not possible and you are still dissatisfied then you may apply for an independent internal review by contacting the Information Rights Compliance team, Ground Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail [CIO-FOI-IR@mod.uk](mailto:CIO-FOI-IR@mod.uk)). Please note that any request for an internal review must be made within 40 working days of the date on which the attempt to reach informal resolution has come to an end.

If you remain dissatisfied following an internal review, you may take your complaint to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act.

Please note that the Information Commissioner will not normally investigate your case until the MOD internal review process has been completed. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website, <https://ico.org.uk>.

Yours sincerely,

Dstl Secretariat