



Contracts & Procurement Policy

1. The Executive Board has agreed the following policy statement for Contracts & Procurement activity in TSol:

Value for Money (VfM)

2. The Treasury requires departments to be responsible and accountable for achieving value for money. Therefore, TSol's procurement activity should focus on delivering Value for Money on expenditure incurred by the department, for individual client departments that purchase TSol's legal services, and for the taxpayer.
3. VfM should always be defined with reference to efficiency, effectiveness and economy, i.e. doing the right things, doing things right, and acquiring goods and services with regard to their whole life value (sometimes referred to as "life cycle costing") rather than basing decisions on price alone.

Competition

4. Competition is the cornerstone of central government's procurement policy and should ensure the best VfM. Competition will mean access is gained to a wider range of prices and proposals, and suppliers will become more competitive, innovative and sometimes more adaptable in an effort to win business.
5. Goods, works and services should be acquired by competition unless there are compelling reasons to the contrary. Subject to the department's legal obligations, the form of competition should be appropriate to the value and complexity of the product or service to be acquired.
6. Government departments are subject to EU procurement rules and other international agreements setting out a legal framework to which they must adapt their contract award procedures. In addition to EU Treaty obligations, specific rules apply to most contracts where the estimated value exceeds specified thresholds.
7. Competition also gives suppliers fair access to Government funded work and avoids any suggestion of favouritism. TSol's policy on competition and non-discrimination is in line with the requirements of the EU.
8. Subject to those legal requirements, and the government's policy on value for money, Accounting Officers are responsible for determining the circumstances in which contracts may be awarded without competition.

9. EU Directives must be followed where they apply, and a similar process applied even if the contract is not subject to their full application.
10. In order to ensure that competitions are open and transparent the guidance on conduct and operational standards below should be followed.
11. In accordance with Government policy to improve procurement processes and enable small businesses to compete, TSol will ensure that its procurement requirements are made available to Small & Medium sized Enterprises wherever possible and to monitor small business activity within its own procurement marketplace.
12. TSol will make best use of existing Framework Contracts negotiated by the Office of Government Commerce, HM Revenue and Customs, and other Government Departments, where potential and existing contractual arrangements can be shown to meet TSol's business needs.

Supplier relationships

13. TSol will work with its suppliers wherever possible to create relationships within which both parties can develop the department's requirements, and suppliers can be encouraged to invest in product and service improvement.
14. TSol will provide feedback and comment (debriefing) to tenderers and suppliers that were unsuccessful in the award of contracts in order to assist them to improve their performance in future procurement exercises.

Conduct

15. The [Civil Service Code](#) requires public servants to be, and be seen to be, honest and impartial in the exercise of their duties. They must not allow their judgement or integrity to be compromised in fact or by reasonable interpretation.

TSol staff must avoid any behaviour that could lead to allegations against the Department of improper or anti-competitive behaviour

Fraud and Corruption

16. It is an offence under the Prevention of Corruption Acts 1906 and 1916 for civil servants in their official capacity to accept any gift or consideration as an inducement or reward for doing or refraining from doing anything or showing favour or disfavour to any person.
17. Any money, gift, or consideration received by a civil servant from a person or organisation holding or seeking to obtain a government contract will be considered by the courts to have been received corruptly unless proved otherwise. Even where not corrupt, acceptance of money, a gift or other consideration can still be in breach of discipline.

Gifts and Hospitality

18. Written records must be kept of any offers of hospitality to staff involved in procurement, contract letting or contract management **whether accepted or not**. The individuals concerned must immediately inform the Director of Corporate Strategy, as well as their Head of Division of such offers.

19. All hospitality, gifts or other inducements received shall be recorded in the Register of Gifts and Hospitality, maintained by the Head of Division. Further information is contained in Chapter 5 of the Staff Handbook.

Conflicts of Interest

20. The Conflicts of Interest policy requires that staff must declare potential or actual pecuniary or other interests in contracts.
21. The principles of being fair and being seen to be fair at all times shall prevail and TSol staff and suppliers shall be vigilant to all situations which could be interpreted as improper or anti-competitive.
22. This could include involvement in procurements where a family member is competing for an appointment or stands to benefit from the appointment - staff with an interest may be excluded from involvement in the contract award process or involvement in preparation of the contract specification – and to close personal friendships with suppliers.
23. Potential and actual conflicts must be advised in writing to the Director of Corporate Strategy or the Treasury Solicitor and the individual must withdraw their involvement.
24. Further guidance on [Conduct](#) is contained in the Staff Handbook.

Operational Standards

25. The roles and responsibilities of staff responsible for procurement should be clearly defined:
- Operational staff for specifying requirements, giving financial authority, making purchasing commitments etc; and
 - Specialist purchasers to work in partnership with budget managers and end users to ensure that, through the application of professional skills and knowledge, value for money is obtained from end users' purchasing budgets.
26. There should be an appropriate separation of duties within the purchasing cycle between staff who place orders, those who receive goods or services, and those who authorise payment. Separation of functions should be designed both to provide necessary safeguards against impropriety or unethical practice and to ensure achievement of value for money.
27. In order to minimise the risk, and maximise the likelihood of the detection of unethical behaviour, contract negotiation, order placing, receiving and invoice/payment approval should not be within the authority of a single person. An additional safeguard is the rotation of duties in order to ensure that key decision areas are not always within the control of one individual.
28. Staff with policy responsible for the procurement of goods and services should be aware of the Procurement Policy Guidelines and any guidance on purchasing policy and practice issued by the *Office of Government Commerce* (OGC) and of the obligation to notify the OGC of issues which may have wider implications for procurement policy or practice. This will enable the OGC to consider, for example, whether the matter should be drawn to the attention of the wider procurement community or whether general guidance is needed.

Sustainable Procurement

29. TSol will procure the goods and services that it requires for its business in such a way as to promote sustainability and contribute to the achievement of “green” targets set for central government. The introduction of environmental criteria is best addressed at the pre-specification stage in order to avoid any potential conflict in later stages of the procurement process between buying green and securing value for money.
30. TSol is committed to pursuing environmentally friendly procurement that support the conserving of energy and water, the reduction of waste, the phasing out of the use of ozone depleting substances and other substances damaging to health and the environment, and the increased use of recycled paper for stationery and publications.
31. From 1 November 2003, all central government departments were required to apply the minimum environmental standards when buying certain types of product. These standards include energy efficiency, recycled content and biodegradability.

TSol Executive Board
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