Met Office

Procurement Policy

“To procure goods & services in an efficient and compliant manner to deliver the most economically advantageous solution and provide whole life cycle contract management”

Procurement Policy – Document History

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Definitions

“Aggregated Value”
The total value of a number of smaller sums, added together and treated as an individual sum;

“Authorised Officer”
A person with appropriate contractual or financial delegation authority to act on Met Office’s behalf;

“Value for Money”
The optimum combination of whole life cost and fitness for purpose. Such term equates to the European Union procurement requirement “most economically advantageous tender”;

“Framework Agreement”
An agreement that allows Met Office to call off from a supplier to provide supplies services or work in accordance with the terms and conditions of the agreement. The “Framework Agreement” itself usually constitutes a non-binding offer with no obligations on the Met Office to call off from the supplier. If the Met Office calls off from the supplier a binding contract comes into being. A “Framework Agreement” can be a binding agreement where it is executed as a deed;

“ITT”
Invitation to Tender;

“BIS”
Business, Innovation and Skills

“OJEU”
Official Journal of the European Union;

“PQQ”
Pre-Qualification Questionnaire;

“Quotation”
An offer of price and any other relevant criteria received in response without the issue of an “ITT”; 

“Tender”
A documented response to an “ITT”; 

“Regulations”
The Public Contract Regulations 2006;

“Whole Life Costs”
Also referred to as “life cycle cost”, whole life costs is the total cost of the goods or services from “cradle to grave” the initial purchase cost and after purchase costs (i.e. maintenance, upgrade costs, disposal costs, licensing costs, etc.)
1 Compliance
1.1 These Procurement Policy apply to all orders and contracts entered into by the Met Office for:
   1.1.1 The supply of goods and materials;
   1.1.2 The provision of services, including professional advice from consultants;
   1.1.3 The execution of buildings, engineering, communication or information technology projects;
1.2 Every order and contract entered into by the Met Office must comply with;
   1.2.1 The Public Contract Regulations;
   1.2.2 The European Procurement Directives, and adhere to the treaty principles
      1.2.2.1 Equal Treatment;
      1.2.2.2 Non-Discrimination;
      1.2.2.3 Mutual Recognition;
      1.2.2.4 Proportionality;
      1.2.2.5 Transparency;
   1.2.3 The Law of England;
   1.2.4 These Policy;
   1.2.5 All relevant statutory provisions;

2 Exceptions
2.1 Before relying on any instance specified in point 2.2 advice shall be sought from the
    procurement department and a justified business case may be required.
2.2 Contracts for the following are exempt from the requirements to obtain tenders and the
    requirement to execute a deed provided that quotations are sought;
   2.2.1 Contracts whose “Aggregated Value” is less than £10,000
   2.2.2 There is no effective competition for the supply as prices are fixed under statutory
       authority or
   2.2.3 The contract is of such a specialised nature, that no advantage would accrue from
       inviting competitive tenders, or there are is only one supplier or
   2.2.4 The supply is urgently required and loss, damage or injury or serious operational
       problems could result from delay due to the advertising procedure.
2.3 These exceptions apply provided that in each instance specified in point 2.2
2.4 Such action does not contravene any statutory or EU requirement; and
2.5 Adequate documentation is retained for all contracts where tenders are not invited.

3 Exemptions
3.1 This Procurement Policy will not apply in the following instances;
   3.1.1 Contracts for the sale and purchase of land;
   3.1.2 Contracts for employment;
   3.1.3 Contracts for the investment or sales of monies or securities;

4 Failure to Comply
4.1 Where it is suspected a breach of procurement procedures has occurred, the
    Procurement department will undertake an analysis and audit to record any such breach,
    and will confirm in writing the corrective actions required to ensure future compliance with
    policy and procedures.
4.2 Continued failure to observe policy and procedures, or to undertake corrective action as
    advised by the Procurement Department, will lead to staff being subject to Met Office
    disciplinary procedures.
4.3 Attention is drawn to all staff involved in procurement activities that they must be aware of ethical obligations at point 5 and integrity in their relationship with contractors.

5 Ethics
5.1 When carrying out procurements or dealing with contracts, all staff must comply with these Procurement Policy and comply with:
5.1.1 The Civil Service Code
5.1.2 Chartered Institute of Purchasing and Supply Code of Professional Ethics

6 Authorised Officers
6.1 The Head of Procurement has delegated contractual authority from the Chief Executive and is responsible for ensuring compliance with EC directives and providing contractual delegation to the Procurement Department on all matters relating to the procurement of goods, services and works.

7 Goods and Services Procurement Thresholds
7.1 For all procurements with an aggregated value is below £25,000 at least two written “Quotations” must be invited before a formal purchase order is issued specifying the suppliers, goods or services, to be provided.
7.2 For all procurements with an aggregated value between £25,000 - £110,000 and where sole supply does not apply a formal competition must be undertaken by “Authorised Officers” with contractual delegation, who may issue a formal “ITT” for completion by interested suppliers.
7.3 It is the intention to openly advertise the Met Office requirements but it may not always be suitable for the adherence to 7.2, in which case “Authorised Officers”, may not advertise the procurement and instead invite a select list of potential suppliers.
7.4 All procurements with an aggregated value above £110,000 must follow the “Regulations” and be undertaken by “Authorised Officers” with contractual delegation.

8 Construction and Works Procurement Thresholds
8.1 For all procurements with an aggregated value below £50,000 at least two written “Quotations” must be invited before a formal purchase order is issued specifying the works to be provided.
8.2 For all procurements with an aggregated value between £50,000 - £4.3m and where sole supply does not apply a formal competition must be undertaken by “Authorised Officers” with contractual delegation, who may issue an “ITT” for completion by interested suppliers.
8.3 It is the intention to openly advertise the Met Office requirements but it may not always be suitable for the adherence to 8.2, in which case “Authorised Officers”, may not advertise the procurement and instead invite a select list of potential suppliers.
8.4 For all procurement with an aggregated value above £4.3m must follow the “Regulations” and be undertaken by “Authorised Officers” with contractual delegation.

9 Bidders Legal Form
9.1 The Met Office reserves the right to require providers of goods, services or works to take legal form, or to require one party within a group or consortium to take primary liability or to require that each party takes joint and several liability within the group or consortium.

10 Advertising
10.1 The Met Office will follow the “Regulations” where applicable and advertise those requirements on its eTendering Portal and if above the EU threshold limits within the “OJEU”.

10.2 In accordance with Government procedures all contracts with an expected value in excess of £10000 must be advertised via the Contracts Finder website. When contracts are let under an existing Framework only the outcome needs to be advertised.

11 Security Considerations

11.1 The Met Office as a Trading Fund of “BIS” but provides services to a number of public and private organisation and is required to comply with these organisation’s security restrictions and providers of goods, services or works who can not meet these restrictions may not be considered for work.

11.2 Contract IT systems that process protectively marked Government data on behalf of the Met Office must be accredited using HMG IA Standard No.2 – Risk Management and Accreditation of Information Systems.

12 Sustainable Considerations

12.1 The Met Office recognises and is committed to carrying out its procurement function incorporating the principles of environmental and sustainable procurement

12.2 In line with current best practice it aims to ensure that its activities meet the diverse needs of the environment, economy, society and its people both now and in the future and will achieve this through the Met Office Environmental and Sustainable Procurement Policy 2013.

12.3 All procurements exceeding £100,000 require the completion of the relevant sustainability risk assessment.

Expenditure below that value can also have sustainability or environmental impact and all staff are encouraged to review their purchase in line with sustainability guidance and submit forms as appropriate.

13 Packaging (essential requirements) regulations

13.1 The Met Office will work with its supply chain to reduce it’s liabilities under the packaging (essential requirements) regulations both internally and within its supply chain.