



Met Office

Commercial and Procurement

Procurement Policy



Met Office

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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;

“BEIS”

Business, Energy and Industrial Strategy

“OJEU”

Official Journal of the European Union;

“SQ”

Standard Selection 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 2015;

“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 The Procurement Policy (See also Government Procurement Policy for further information <https://www.gov.uk/guidance/public-sector-procurement-policy>) applies 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 (Non-discrimination, free movement of goods, freedom to provide services and freedom of establishment). The EU Principles for procurement are
 - 1.2.2.1 Equality of Treatment;
 - 1.2.2.2 Mutual Recognition;
 - 1.2.2.3 Proportionality;
 - 1.2.2.4 Transparency;
 - 1.2.3 The Law of England;
 - 1.2.4 This 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 commercial and procurement department and a justified business case or single tender justification (STJ) shall be required.
 - 2.2 Contracts for the following are exempt from the requirements to obtain “**Tenders**” or multiple “**Quotations**” and the requirement to execute a deed provided that quotations are sought;
 - 2.2.1 Contracts whose “**Aggregated Value**” is less than £10,000, noting that up to the value of £5,000 can be paid for using GPC.
 - 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 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.
 - 2.2.5 The supply is classified as **Public/Public** contracts as set out in Regulation 12.
 - 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.
 - 2.6 Where there is an exception requested that deviates from the guideline above and the Head of Commercial & Procurement is not content with approving the requirement, then this will be escalated to the owning Director of the request together with the Chief Finance Officer for a decision based on risk and impact.
- 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 Commercial and 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 Commercial and 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 and suppliers.

5 Ethics

- 5.1 When carrying out procurements or dealing with contracts, all staff must comply with this 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
 - 5.1.3 Met Office Ethical Policy
 - 5.1.4 Supplier Code of Conduct
 - 5.1.5 Met Office Safeguarding Policy

6 Authorised Officers

- 6.1 The Head of Commercial and Procurement has delegated contractual authority from the Chief Executive and is responsible for ensuring compliance with EU directives and providing contractual delegation to relevant named individuals 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 between £10,000 and £25,000 at least three 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 - £118,000 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 list of potential suppliers.
- 7.4 All procurements with an aggregated value above £118,000 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 between £10,000 and £50,000 at least three 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 - £4.5m 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 £4.5m 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 £10,000, where there is a genuine opportunity to bid for the work, this will be advertised via the Met Office eTendering Portal in the first instance and linked to the Contracts Finder website. When contracts are let under an existing Framework only the outcome needs to be advertised.
- 10.3 Early market engagement is required to ensure the optimum delivery and value for money options when securing goods, works and services.
- 11** Security Considerations
- 11.1 The Met Office as a Trading Fund of **“BEIS”** 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 cannot 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 the HMG Information Assurance Standards issued by the Cabinet Office/ CESG.
- 12** Sustainable Considerations
- 12.1 The Met Office recognises and is committed to carrying out its commercial and procurement function incorporating the principles of environmental and sustainable procurement (<https://www.metoffice.gov.uk/about-us/contracts/marketplace>)
- 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 2015.
- 12.3 All procurements exceeding £100,000 or lower value but or have a high risk deliverable must have a sourcing strategy which includes sustainability considerations. All staff are encouraged to review their purchase in line with sustainability guidance and submit forms as appropriate.
- 12.4 The Met Office will consider options of exploiting the life of the asset longer; the opportunity to resell goods to a third party or the manufacturer and the use of second user equipment where it proves value for money.



- 13** Packaging (essential requirements) regulations
- 13.1 The Met Office will work with its supply chain to reduce its liabilities under the packaging (essential requirements) regulations both internally and within its supply chain.
- 14** Due Diligence
- 14.1 Relevant Due Diligence will be undertaken on the appointment of new suppliers and will cover as a minimum finance, legal and contractual status. Global organisations also require a PEP check and sanctions check.
- 15** Dispute Escalation
- 15.1 If a contractual dispute occurs with regard to delivery of goods, services or works being procured, an assessment of the risk against the agreed impact criteria within the Met Office corporate risk framework should be carried out in consideration of the need to escalate internally within the Met Office.
- 15.2 Any escalated disputes in relation to a contract for Goods, Services or Works will be resolved in the following way:
- 15.2.1 For Gold and Silver classified contracts in line with the process stated within the Contract Management Plan or;
- 15.2.2 For Bronze contracts by escalation to the Commercial and Procurement Category team who will;
- Record and monitor disputes within their category for analysis of possible trends
 - Arrange a meeting to discuss the nature of the dispute and consider the appropriate next step, which may consist of formal written notification, formal dispute meeting, performance improvement plan or supplier audit visit.
- 15.2.3 With the Commercial and Procurement responsible discussion between the Supplier Designated Representatives (acting reasonable and in good faith with a view to resolving the dispute or disagreement);
- 15.2.4 If no agreement is reached between the Designated representatives the dispute will be escalated to the Head of Commercial and Procurement and (or such other person as is notified to the Supplier by the Met Office in writing) and a representative of the Supplier of comparable rank to meet in good faith with a view to resolving the dispute or disagreement;
- 15.2.5 If no agreement is reached the dispute shall be escalated to the Chief Financial Officer of the Met Office (or such other person as is notified to the Supplier by the Met Office in writing) and a representative of the Supplier of comparable rank to meet in good faith with a view to resolving the dispute or disagreement;
- 15.2.6 If no agreement is reached the dispute shall be referred to mediation in accordance with the Centre for Effective Dispute Resolution (CEDR) Model Mediation Procedure. Unless otherwise agreed between the parties, the mediator will be nominated by CEDR.



Document Responsibilities

	Title
Owner	Head of Commercial & Procurement
Author	Category Manager
Reviewer	Senior Category Manager
Date Released	29/11/2019
Date Review	29/11/2020

Document History

Version	Issue Date	Review Due	Reviewer (Authoriser)	Change Description
V12.0	11/01/2018	10/01/2019	Category Manager	Update thresholds in line with PPN 04/17
V13.0	20/03/2018	19/03/2019	Category Manager	Single Tender Action Escalation process updated
V14.0	18/01/2019	18/07/2020	Category Manager	Update to include under Ethics Met Office Safeguarding Policy
V15.0	03/06/2019	02/06/2020	Head of Commercial and Procurement	Update to Single Tender – Section 2.0
V16.0	29/11/2019	29/11/2020	Category Manager	Addition of Dispute Escalation Process.