

The Government Procurement Code
of Good Practice

For Customers and Suppliers



Introduction to the Code

What is the Code?

The Government Procurement Code of Good Practice sets out the core values and behaviour for all members of central civil government's supply chain: both government organisations and their suppliers¹. It is a code of conduct for all members of the supply chain that encourages all participants to work together openly and co-operatively. It also represents a commitment that they are serious about wanting to be better customers and better suppliers, within relationships that can bring mutual reward. The Code has been jointly developed by the Office of Government Commerce (OGC), representatives from other government departments and representatives from industry. It forms part of OGC's guidance portfolio. Other publications deal with related issues such as evaluation in more detail. The Code is not intended to have legal effect, although it is consistent with EC Rules and Procurement Policy Guidelines.

Why have a Code?

Suppliers play an important role in delivering central civil government's core business and contribute to its aim of providing high quality, efficient, responsive and customer focused services. In its turn, central civil government contributes to the business and aims of suppliers. Therefore, the way in which government and suppliers throughout the chain work together and the relationships that are developed are critical. By establishing a Code of Good Practice for the whole supply chain, it is hoped that the members of the chain can jointly achieve:

- the creation of true and effective partnering relationships
- more successful delivery
- reduced procurement timescales
- a reduction in the costs of competing for government business
- better value for money.



¹Throughout the document the term 'Supplier' is taken to mean both the immediate supplier to the customer and any sub-contractors or contracted third parties.

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Who is the Code for?

The Code is intended for all those in the central civil government supply chain, including government procurement staff, business and contract managers and senior officers, supplier and sub-contractor managers and staff. As a statement of good practice it should be shared openly between the existing and potential members of the supply chain. OGC and representative Trade bodies will promote the adoption of the Code as widely as possible.

What if one party does not follow the Code?

It is hoped that all members of the supply chain will see the mutual benefits of following the practices set out in this Code, and will attempt to resolve any compliance issues locally. Where this is not possible, and where one party in a relationship believes the other to be in breach of the Code, they are advised to bring this to the attention of OGC or relevant Trade Association body as appropriate.

Who can you contact about the Code?

If you have an enquiry about the Code or its implementation on specific projects you should contact the Head of Procurement in the government organisation you are dealing with, the relevant Trade body, or OGC on 0845 000 4999.





The Government

When working within central civil government, customers, suppliers and their suppliers throughout the supply chain shall commit themselves to these core values:

fairness
honesty and openness
efficiency and effectiveness
professionalism.

1. Fairness

The members of the supply chain will act fairly during the competitive process and throughout the business relationship. They will do this by:

Jointly

- 1.1 Managing and participating in competitions fairly
- 1.2 Providing accurate and timely information, in appropriate detail
- 1.3 Respecting the confidentiality of third parties and members of the supply chain, particularly where some information may be covered by IPR or represent a supplier's specific commercial advantage
- 1.4 Understanding the need for government organisations to comply with the commercial policy and legal framework and their objective of overcoming perceived barriers to entry to government markets - so that new players, including small and medium enterprises, are encouraged to bid for appropriate work either directly or in conjunction with others

Customers

- 1.5 Being objective, even handed and transparent when making decisions and making sure that each competition is run without favouring any one supplier
- 1.6 Applying UK domestic policy, and meeting EC and international obligations
- 1.7 Making sure of genuine competition by selecting the appropriate number of tenderers taking account of the legal requirement, and seeking to reduce unnecessary costs (to the customer and potential suppliers) by restricting competitions to a reasonable size

Suppliers

- 1.8 Striving to ensure that customers continue to obtain business benefit in all relationships with suppliers

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2. Honesty and openness

The members of the supply chain will be honest and open when conducting business with each other. They will do this by:

Jointly

- 2.1 Working together to manage expectations
- 2.2 Advising each other of any significant reservations about requirements and assumptions in a constructive fashion at any time during the project and being genuinely receptive of that advice
- 2.3 Working together to ensure that pricing structures are aimed at realising and demonstrating value for money for the customer and a reasonable return for the supplier
- 2.4 Sharing views of risks and contingency plans for the procurement and contract performance, and working to achieve a realistic position on the appropriate allocation and management of risk
- 2.5 Raising any issues of concern at an early stage, to enable constructive joint resolution
- 2.6 Being open about any interest that may have a bearing on the relationship
- 2.7 Dealing with each other in good faith about their capabilities, skills, products and resources, and their respective strengths and limitations throughout the relationship

Customers

- 2.8 Sharing plans with potential suppliers at as early a stage as possible, consulting with and listening to the observations of those suppliers, and reflecting these in the planned approach where appropriate, explaining where this is not possible
- 2.9 Indicating clearly when inviting suppliers to bid how their offers will be evaluated and stating the relative priorities of the selection and award criteria
- 2.10 Making sure that formal competitions are launched only when there is a clear intent to award a contract. Doing so within published timescales, where appropriate advising potential suppliers of the degree to which this may be subject to subsequent political decisions or changing investment priorities
- 2.11 Providing successful and unsuccessful candidates and tenderers with feedback that is as helpful as possible, and designed to promote future improvement
- 2.12 Making clear, at the outset, how the successful supplier's performance will be judged and providing regular feedback throughout the life of the contract

Suppliers

- 2.13 Being open about their aims, objectives, strategies and alliances as they relate to government business
- 2.14 Making clear any assumptions, dependencies and/or risks on the customer that underpin the supply side's ability to deliver the required goods, services and/or works
- 2.15 Fully respecting the need for public sector procurement activity to be seen to be conducted with integrity, probity and fairness



Best Practice



3. Efficiency and effectiveness

The members of the supply chain will contribute to improving the efficiency and effectiveness of central civil government's commercial activities. They will do this by:

Jointly

- 3.1 Striving for the highest standards of performance and best practice, within the context of best value for money
- 3.2 Seeking to mitigate disruption, delays and additional costs, however they may be caused. In particular, keeping procedures as simple as possible and taking other actions as appropriate in order to eliminate all unnecessary costs to both parties
- 3.3 Taking into account, as far as is reasonable, the wider business goals of the other party
- 3.4 If the need to consider or propose changes to the contract arises, doing so constructively and in consultation with the other party, seeking to maintain value for money and minimise the adverse impact on performance, cost and timescale
- 3.5 Working to secure appropriate business relationships generally, including developing longer-term collaborative and strategic partnerships where such arrangements are best suited to deliver value for money
- 3.6 Meeting commitments in a timely manner and making sure, wherever possible, that published procurement and implementation timetables are kept to
- 3.7 Working together to manage contracts in a way which does not duplicate resources and effort, and properly reflects the division of responsibilities and risks and ensures that all partners share common objectives and purpose

Customers

- 3.8 Implementing best practice, as promulgated by government and other relevant organisations, as appropriate
- 3.9 Making sure that requirements and outputs or benefits are specified in a way that enables suppliers to propose the best value for money solution, adopting innovative approaches where appropriate
- 3.10 Making sure that proposed timetables are realistic
- 3.11 Where appropriate, utilising electronic commerce techniques to improve the efficiency of the interface with suppliers and integration of related processes

Suppliers

- 3.12 Pursuing continued improvement and seeking actively to identify, and share with the customer, experiences, innovations and market advances
- 3.13 Being proactive in the suggestion and use of measures, such as e-techniques, to improve the efficiency of the trading relationship
- 3.14 Working with any potential subcontractors or other commercial partners from the earliest possible stages to promote an integrated supply chain approach and to make most effective use of skills and resources

4. Professionalism

The members of the supply chain will work to a high standard of professionalism. They will do this by:

Jointly

- 4.1 Acting with courtesy, consideration and integrity during the project, including before, during and after the procurement phase. Encouraging professional and ethical behaviour by staff in all their dealings throughout the supply chain, and by complying with the codes of practice of relevant professional bodies
- 4.2 Actively respecting people, for example through health and safety and training commitments.
- 4.3 Adequately resourcing the planning, preparation and delivery stages of projects, fulfilling commitments on staffing levels, skills and competencies
- 4.4 Avoiding unrealistic and unnecessary changes in dates or timescales, particularly in the event that requirements change but ensuring that key decisions are communicated promptly to all parties in the event that the programme is revised
- 4.5 Making sure that roles and responsibilities are clear and understood
- 4.6 Making sure that there is adequate continuity between staff and activities through the whole lifecycle of projects, before, during and after the procurement phase
- 4.7 Filling posts on projects with staff who have the necessary experience, knowledge and expertise
- 4.8 Ensuring that there is appropriate management backing for projects from the outset and until completion
- 4.9 Working actively together to solve problems at the earliest possible stage and seeking to resolve contractual disputes using alternative dispute resolution mechanisms wherever appropriate
- 4.10 Responding promptly and courteously to communications and making sure that appropriate contact details are always given.
- 4.11 Behaving ethically in all business dealings

Customers

- 4.12 Continuing to award work on the basis of value for money (whole life cost and quality) criteria and not simply the lowest price
- 4.13 Making sure that, where appropriate, specifications and value for money award criteria include relevant environmental factors in accordance with the joint guidance of HM Treasury (OGC)/Department for Environment, Food and Rural Affairs

Suppliers

- 4.14 Fostering high levels of professional competence and being proactive in training supplier staff to enable them to understand and effectively deliver against agreed customer targets
- 4.15 Only bidding solutions that they know they can deliver, and continuing to behave in such a way as to maintain customers' confidence throughout the life of the contract
- 4.16 Working collaboratively with the customer and other parties, as appropriate, to ensure that the focus is maintained ultimately on the public interest at all times



This code was produced with input from
the Senior IT Forum

About OGC

OGC – the UK Office of Government Commerce – is an office of HM Treasury.

OGC Service Desk

OGC customers can contact the central OGC Service Desk about all aspects of OGC business. The Service Desk will also channel queries to the appropriate second-line support. We look forward to hearing from you.

You can contact the Service Desk 8am–6pm Monday–Friday
Telephone: 0845 000 4999
e-mail: ServiceDesk@ogc.gsi.gov.uk
www.ogc.gov.uk

About Intellect

Intellect is the new association created to give a single powerful voice for the information technology, telecommunications and electronics industries in the UK and incorporates members of CSSA and FEI. Intellect represents more than 1000 organisations ranging from blue chip multi-nationals through to early stage technology enterprises. Intellect is committed to improving the environment in which our members do business, promoting their interests and providing them with high value services.

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