



Procurement Policy Note – Procuring Growth Balanced Scorecard

Action Note PPN 09/16 14 October 2016

Issue

1. Government wants to maximise the positive impact of public procurement on economic growth by encouraging procurers to take full account of the value suppliers can offer by using a balanced scorecard approach.
2. This PPN refers to new guidance, which sets out how to adopt a balanced scorecard approach and serves as a tool to guide public procurers in balancing straightforward matters such as cost against more complex issues such as social and wider economic considerations when designing their procurement approaches.

Dissemination and Scope

3. This PPN and associated guidance applies to all Central Government Departments, their Executive Agencies and Non Departmental Public Bodies for all construction, infrastructure and capital investment procurements with a value of over £10m. These organisations are referred to in this PPN as 'In-Scope Organisations'. Please circulate this PPN within your organisations, drawing it to the attention of those with a purchasing role.

Timing

4. In-Scope Organisations must apply the provisions of this Procurement Policy Note with immediate effect.

Action

5. For all construction, infrastructure and capital investment procurements with a value exceeding £10 million, in-scope organisations must:
 - Consider each of the Strategic Themes and CSFs of the model Scorecard in relation to the objectives of the project, determining whether there are associated requirements that should be incorporated into the procurement.
 - Identify whether for a specific exercise there are other project or sector-specific themes and CSFs with associated requirements.

- Produce a procurement-specific balanced scorecard that captures and communicates the objectives for the procurement, how these relate to specific project requirements and thus to evaluation of tenders.
 - Publish their balanced scorecard with the procurement documentation to form a clear summary of how the procurement will deliver the project vision.
6. In-Scope Organisations are also encouraged to adopt the balanced scorecard approach for procurements that are not covered by the scope of this PPN where there is clear benefit to doing so.

Background

7. The Government wants to maximise the value of taxpayers' money through public procurement in a way that supports economic growth by ensuring that full value for money is taken into account. The Public Contracts Regulations 2015 provide greater clarity on how broader policy considerations, such as social and environmental factors, may be integrated into procurements. Taking account of relevant broader policy considerations will help to ensure value for money is fully considered and reflected in the procurement process where appropriate, contributing to economic growth in the UK.
8. The Scorecard sets out key strategic themes encompassing policy areas which are of importance to Government, such as appropriate use of the supply chain, creation of apprenticeships and engagement with SMEs, which can be built into procurement decisions, alongside well-established criteria, such as quality, risk and cost.
9. Each strategic theme comprises Critical Success Factors (CSFs) in relation to that theme, although not all of them will be relevant for every project and additions may be included for more specific projects. For individual projects, each CSF will have specific project technical, operational and commercial requirements associated with it. These will be integrated into the project's evaluation approach. The Scorecard for a specific project may communicate the relative evaluation weightings associated with individual themes and CSFs. The balance will be for procurers to set based on the subject matter of individual projects and informed by the project investment appraisal.
10. The guidance sets out some circumstances in which particular themes and CSFs may be relevant, and when and how they can be factored into the procurement process.

Contact

11. Enquiries about this PPN should be directed to the Crown Commercial Service Helpdesk (telephone 0345 410 2222, email info@crowncommercial.gov.uk).