



Cabinet Office

Procurement Policy Note – Applying Exclusions in Public Procurement, Managing Conflicts of Interest and Whistleblowing

Information Note PPN 01/19 22 February 2019

Issue

1. Although the UK enjoys higher levels of integrity than many other countries, we are not immune from the effects of corruption. To safeguard citizens, public funds and public bodies from corruption in public procurement procedures, the procurement rules provide for the exclusion of bidders who have committed certain serious offences and in other specific serious situations, as well as requiring public bodies to take appropriate measures to effectively prevent, identify and remedy conflicts of interest arising in procurement procedures. In addition, the Civil Service Code provides a framework for the process to be followed by civil servants who are concerned about any other perceived wrongdoing in a procurement procedure.

Dissemination and Scope

2. The contents of this Procurement Policy Note (PPN) apply to all Central Government Departments, their Executive Agencies and Non Departmental Public Bodies in conducting procurement procedures regulated by the Public Contracts Regulations 2015, the Utilities Contracts Regulations 2016 and the Concession Contracts Regulations 2016.¹ They are referred to in this guidance as ‘In-scope Organisations’. It is also relevant to the wider public sector such as local authorities and NHS bodies in carrying out procurements for public contracts, utilities contracts and concession contracts. Please circulate this PPN within your organisation, drawing it to the attention of those with a commercial and procurement role.

3. When the UK leaves the EU the public procurement regulations will remain broadly unchanged. If the UK leaves the EU with a deal, the existing scheme of UK procurement rules, which implement the EU public procurement directives, will be preserved under the

¹ Under the Utilities Contracts Regulations 2016, the grounds for mandatory exclusion set out in the Public Contracts Regulations 2015 are mandatory for utilities which are contracting authorities and discretionary for other utilities. All utilities, irrespective of whether they are contracting authorities, can apply the discretionary exclusion grounds set out in the Public Contracts Regulations 2015. Under the Concession Contracts Regulations 2016, the mandatory exclusion grounds apply to contracting authorities and utilities which are contracting authorities and are discretionary for other utilities. All contracting authorities and utilities, irrespective of whether they are contracting authorities, can apply the same discretionary exclusion grounds.

European Union (Withdrawal) Act 2018.² If the UK leaves the EU without a deal, the current regulations will be amended to ensure they remain operable and functional on exit.³

Timing

4. This PPN contains guidance and frequently asked questions to deepen understanding of the exclusion provisions in the Public Contracts Regulations 2015 and to supplement and strengthen existing practices.

Background

5. The grounds for exclusion of bidders from public procurement procedures are set out in The Public Contracts Regulations 2015, the Utilities Contracts Regulations 2016 and the Concession Contracts Regulations 2016: these rules set out the circumstances in which bidders must, or may, be excluded from a public procurement process for a variety of criminal offences and in other specific situations. The rules cover the grounds for mandatory and discretionary exclusion, exceptions to exclusions, duration of exclusion, and self-cleaning, as well as the methods by which the existence of grounds for exclusion can be verified.

6. The rules also require appropriate measures to be taken to effectively prevent, identify and remedy conflicts of interest in procurement procedures. There are also specific rules where a bidder has been involved in the pre-procurement stages of a procurement procedure to ensure competition is not distorted. The Civil Service has processes for raising concerns about possible wrongdoing in procurement procedures.

7. The government has taken significant steps to strengthen its commercial capability, especially in procurement so that commercial activities deliver value for money and risks are managed effectively. We have strong systems in place to detect and tackle corruption, but the nature of this activity demands ongoing effort to maintain our capability in both central and local government. The [2017 Anti-Corruption Strategy](#) sets out a number of ways in which to tackle corruption including commitments for public procurement.

Contact

8. Enquiries about this PPN should be directed to the Crown Commercial Service Helpdesk on 0345 410 2222 or info@crowncommercial.gov.uk.

² <https://www.gov.uk/guidance/public-sector-procurement-under-the-eu-withdrawal-agreement>

³ <https://www.gov.uk/guidance/public-sector-procurement-after-a-no-deal-brexit>