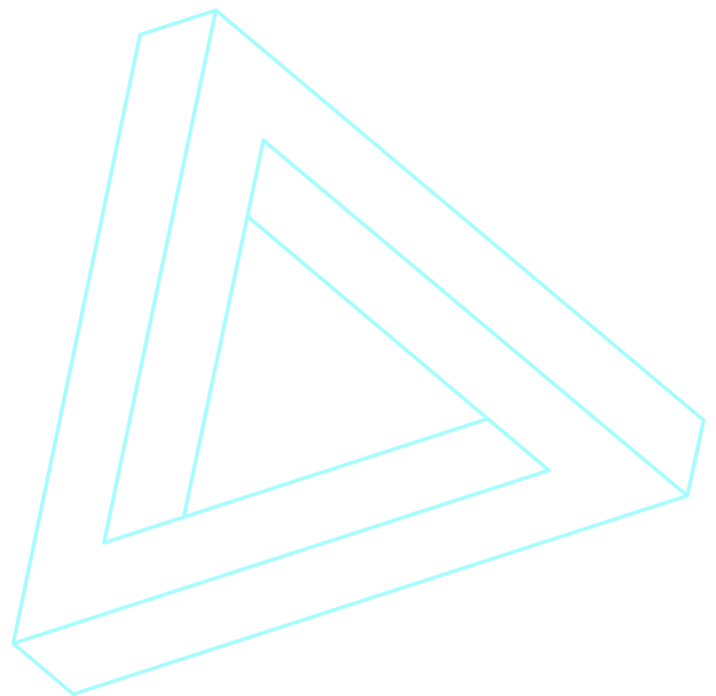




Government  
Commercial  
Function

# Commercial Pipeline

Supporting the Implementation of the Commercial  
Continuous Improvement Assessment Framework  
and Sourcing Programme





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# Introduction

## Foreword by Gareth Rhys Williams, Government Chief Commercial Officer

*Spending £290 billion every year, public sector procurement accounts for around a third of all public expenditure and as such effective planning and management is critical to the delivery of services.*



*Transparency is a fundamental principle of public procurement, helping to ensure healthy competition, proper scrutiny of contract awards and in demonstrating good value for money. A Commercial Pipeline can bring highly valuable insights to support the planning and delivery of public procurements whilst also enabling the widest possible population of potential suppliers to be sighted on upcoming public sector contracting opportunities.*

*There are significant benefits to publishing Commercial Pipelines; engaging with our markets, managing resources and improving transparency. It is incumbent on contracting authorities to overcome challenges in order to construct and share robust and meaningful pipeline data.*

*In this vein, the Government Commercial Function (GCF) has developed this Pipeline Guidance document which sets out how to maximise the impact of publishing pipelines. It provides guidance on how to develop a pipeline for both internal and external purposes and how best to manage the inevitable changes that happen to your pipeline over time.*

*This guidance is underpinned by the Commercial Functional Standard (Gov008), the Commercial Continuous Improvement Assessment Framework (CCIAF), the Sourcing Playbook and the National Procurement Policy Statement. Utilising this guidance will allow us to build upon the work already undertaken to make working with Government clearer and simpler, and to forge strong relationships with our current and future suppliers.*

A handwritten signature in blue ink that reads "Gareth Rhys Williams". The signature is written in a cursive, flowing style.

Gareth Rhys Williams  
Government Chief Commercial Officer.

## Definition of a Commercial Pipeline

A commercial pipeline is a forward look of potential commercial activity for an organisation. It is a live tool, updated regularly, providing a list of prospective commercial activities planned by a Contracting Authority. It includes all future potential activity even if funding has not been secured.

Example of commercial activities include the procurement of a contract or a framework, a call-off from a framework, a significant contract amendment<sup>1</sup> or a contract extension.

You should consider how your commercial pipeline links with other business areas that may maintain a forward look of activities, such as investment forecasts, business plans, grants pipeline and [digital and technology pipelines](#).

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<sup>1</sup> Examples of significant contract amendments are where there is a material change in scope, including one that results in the contract value changing beyond approval thresholds or regulation thresholds, a change in contract start or end dates that is 6 months or more, novation of the contract, change in supplier or key sub-contractor, or a significant change in the payment model.

## Purpose of a Commercial Pipeline

A commercial pipeline will enable a contracting authority to forward plan and map out clearly the expected future commercial activity (new contract or framework, or major contract change or extension) that it is likely to require. The pipeline can be used alongside other information on internal business planning and governance stages, and other related activities. By mapping out this management information and keeping this regularly refreshed, organisations can:

- Give sufficient planning time for developing and executing a robust commercial strategy, ensuring that all business and commercial options have been thoroughly explored.
- Outline when the required services are intended to be procured.
- Track commercial delivery.
- Give clear management information to inform current and future resourcing for commercial delivery.
- Reduce the need for unwarranted contract extensions by improved planning.
- Support progressive and timely assurance and approvals, including spend controls.

Organisations are also encouraged to publish their commercial pipelines (as appropriate, and according to other policies).

- Stimulate the supplier market, including small and medium-sized enterprises (SMEs) and voluntary, community and social enterprises (VCSEs), to make it aware of future opportunities, ensuring a competitive market exists.
- Ensure transparency when going to market.

# What is a good pipeline?

## Timeliness

A good commercial pipeline should be a live tool, updated at each major change and in a timely manner. Where possible, organisations should leverage procurement systems and automation to enable live updates to the pipeline.

Organisations that update pipelines manually may choose to arrange for formal update cycles, submitting pipelines to the Cabinet Office<sup>2</sup> on a quarterly basis and publishing pipelines externally<sup>3</sup> on an annual basis as a minimum, though more frequent updates are encouraged. This does not prevent information on the pipeline being amended as status and major changes occur.

## Standardisation and Data Standards

To enable effective sharing and reporting of data, organisations should ensure that data captured is aligned to [Government Commercial Functions Data Standards](#), which are based on the [Open Contracting Data Standard \(OCDS\)](#). Standardisation of pipelines across Government will allow for cross-Government sharing of data and insights. This allows contracting authorities to plan together and ensure that their approach to the supplier market is optimised.

## Time period

The pipeline shall contain a forward look of commercial activities that are to take place in the next 18 months as a minimum. Where possible, contracting authorities should go beyond this to publish information about procurement activities they reasonably expect to undertake in the next 3-5 years.

## Minimum Viable Pipeline

A good commercial pipeline should also have sufficient information to support planning. To establish consistency across Government, the Government Commercial Function has outlined a “minimum viable pipeline” (MVP).

The MVP (see Box 1) lists the minimum information as well as recommended additional information that shall be documented and maintained in a pipeline. Fields marked as “Best Practice” can enable further insights and efficiencies. Further additions to the pipeline information may be included where they suit how your organisation operates (e.g. Framework, Triage Proposal, Contract Risk, suitability for SMEs etc).

While some information is expected to be unknown early in the process, all fields that are marked with an Asterix (\*) should be available right from the beginning.

The MVP is designed to be owned by the contracting authority. Local terms that are equivalent to those outlined in the MVP can be used.

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<sup>2</sup> Central government departments and their arm’s-length bodies only

<sup>3</sup> As required by the National Procurement Policy Statement

# Summary of Pipeline Requirements

## Box 1: Minimum Viable Pipeline

No.	Field	Definitions	Cabinet Office Pipeline	Published Pipeline
1	Reference number*	The unique reference number which a contracting authority will allocate to any commercial activity noted on the pipeline.	Required	Required
2	Business Area*	The business area/organisation owner for this contract.	Required	Best practice
3	Contract Title*	The planned or published commercial activity name.	Required	Required
4	Short Description*	A short contextual entry on the commercial activity. This must include what is being procured and reference the overarching programme the procurement forms part of, when relevant.	Required	Required
5	Commercial Strategy (anticipated)	The planned commercial approach for the commercial activity. Potential options include: 1. New requirement, 2. Re-procurement (same scope), 3. Re-procurement (different scope), 4. Extension (in contract), 5. Contract amendment. See below for definitions of these options (Supplementary Definitions)	Required	Best practice
6	Existing Contract end date	The date on which the existing contract is due to end, i.e. the first date that the contract needs replacing by. (If this is a new requirement, please leave it blank.)	Required	Best practice
7	Expected date for OBC	The planned date for internal approval of the Outline Business Case (OBC) <sup>4</sup> (or equivalent).	Required	Not required
8	Expected date for FBC	The planned date for internal approval of the Full	Required	Not required

<sup>4</sup> See here for Green Book definitions of Business Case stages  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/749086/Project\\_Business\\_Case\\_2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749086/Project_Business_Case_2018.pdf)



## Commercial Pipeline – Government Commercial Functional Standard

		Business Case (FBC) <sup>5</sup> (or equivalent).		
9	Estimated procurement start date	The planned date of official commencement of the procurement e.g. release of tender or commencement of a further competition under a framework agreement.	Required	Required, though dates may be MM / YY
10	Estimated contract commencement date*	The planned start date on which the contract becomes effective.	Required	Required, though dates may be MM / YY
11a	Estimated contract length*	The estimated duration (in months) of the contract excluding options to extend	Required	Required
11b	Estimated extension option - length	The estimated duration (in months) of the extension options, if applicable. (If not applicable, please leave it blank.)	Best practice	Best practice
12a	Estimated contract value	The estimated total value of the new contract excluding options to extend.	Required	Required, this may be expressed as a single value or as a band
12b	Estimated extension option - value	The estimated value of the extension options, if applicable. (If not applicable, please leave it blank.)	Best practice	Best practice
13	Planned procurement Sourcing Route	The planned/expected procurement vehicle being used to source the contract, such as Open procedure, purchase from Framework Agreement or Dynamic Purchasing Systems (see Supplementary Definitions).	Required	Required
14a	Framework/DPS ID	The ID of the framework that the contracting authority plans to use to procure the contract. e.g framework ID under the Crown Commercial Services. This also includes frameworks by any other providers	Best practice	Best practice
14b	Framework/DPS Name	Where applicable, the name of the Framework Agreement which the contracting authority plans to procure the contract. (If not applicable, please enter N/A.)	Best Practice	Best Practice

<sup>5</sup> See here for Green Book definitions of Business Case stages

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/749086/Project\\_Business\\_Case\\_2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749086/Project_Business_Case_2018.pdf)

## Commercial Pipeline – Government Commercial Functional Standard

14c	Framework/DPS Lot	If the contracting authority is proposing to use a lot the name as it appears on the framework providers website	Best Practice	Best Practice
15a	Spend category*	The procurement classification which is attributed to the commercial activity, in Common Procurement Vocabulary (CPV) format.	Required	Best practice
15b	Spend category code*	The Common Procurement Vocabulary (CPV) alphanumeric identifier relating to the main spend category.	Best practice	Best practice
16	Organisation category	Where applicable, procurement classification as per the organisation's internal spend taxonomy. Where an organisation has a category management approach, this field would align with this taxonomy. (If not applicable, please enter N/A.)	Best practice	Not required
17	Contract Classification (Tiering/Type)	The tier of the commercial activity i.e. the level of importance of the contract in achieving organisational objectives, as per the organisation's preference (Gold, Silver, Bronze).	Required	Not required
18a	Existing Contract	The name of the existing contract(s) where the commercial activity is intended to replace an existing contract, if applicable. (If this is a new requirement, please enter N/A.)	Required	Required
18b	Existing Contract Reference number	The unique reference number which the contracting authority has allocated to the existing contract, if applicable. (If this is a new requirement, please leave it blank.)	Best practice	Best practice
19	Existing Supplier	The current supplier of the service, if applicable. (If this is a new requirement, please enter N/A.)	Required	Not required
20	Main Contact	The name and contact details of the single point of contact. This is normally the commercial lead of the activity.	Required	Best practice
21	Supporting comments	Additional comments that Contracting Authorities want to share	Best practice	Best practice

*To Note: This is the current Commercial MVP, however work is ongoing to align all pipeline requirements across functions as much as possible*

## Box 2: Submission and requirements

Certain contracting authorities are required to submit a subset of the organisation’s commercial pipeline to the Cabinet Office and/or publish their pipelines online.

Requirements	Relevant policies	Minimum pipeline value <sup>6</sup>	Minimum frequency of submission
Cabinet Office Pipeline	<ul style="list-style-type: none"> <li><a href="#">Cabinet Office commercial spend controls</a></li> </ul>	All commercial activities £10M+	To be agreed with Commercial Spend Controls team, minimum quarterly
Published Pipeline	<ul style="list-style-type: none"> <li><a href="#">National Procurement Policy Statement</a></li> <li><a href="#">Sourcing Playbook</a></li> </ul>	All commercial activities £2M+	Minimum annually no later than 28 days after the start of the financial year in April

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<sup>6</sup> With respect to frameworks, “contract value” refers to the expected total value of contracts that would be called-off from the framework.

# Policies relating to commercial pipelines

Ownership and maintenance of a comprehensive pipeline for the purpose stated above forms part of how contracting authorities should approach adherence to the [Government Functional Standard, GovS 008: Commercial](#).

Certain contracting authorities are required to submit their commercial pipelines to the Cabinet Office and/or publish their pipelines online as per the Sourcing Playbook. These pipelines are expected to be a subset of the commercial pipeline maintained by the contracting authority.

- **Cabinet Office commercial spend controls**

Contracting Authorities that are subject to [Cabinet Office commercial spend controls](#) should submit an extract of their full commercial pipeline consisting of transactions with contract value £10m and above, with a minimum forward look of 18 months. Frequency of submission should be agreed with the spend controls team, with a minimum of every quarter. A risk assessment of each commercial activity on the pipeline should also be conducted.

- **Publication of Commercial Pipelines**

The [Sourcing Playbook](#) provides the policy requiring all Central Government Departments, their Executive Agencies and Non Departmental Public Bodies to publish their commercial pipelines. Where published Commercial Pipelines should look ahead three to five years to be truly effective, but a minimum of 18 months. The published pipeline should as a minimum align with the National Procurement Policy Statement requirements.

The government is planning to bring legislation to require all contracting authorities to have regard to [The National Procurement Policy Statement](#), published in May 2021. The legislation will require public sector contracting authorities in scope<sup>7</sup> to publish their procurement pipelines consisting of transactions with contract value £2m and above, with a minimum forward look of 18 months.

- **Construction Playbook**

The [National Infrastructure and Construction Procurement Pipeline](#), published by the Infrastructure and Projects Authority, will use the existing commercial pipeline as a starting point but may require additional information from relevant contracting authorities given the specialist nature of the publication. Future Pipelines will seek to incorporate procurement information as well as future planned investment, as presented in the [National Infrastructure and Construction Pipeline 2018](#).

Other functions and/or business areas may also maintain a forward look of activities, for example investment forecasts, business plans, grants pipeline, [digital and technology pipelines](#). The various pipelines will function differently and have some overlaps. They may include different information from the Minimum Viable Pipeline (Box 1) that is specific to the sector. The commercial pipeline consists of commercial transactions while the other pipelines will or may include other project/programme spend including civil service resources.

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<sup>7</sup> From April 2022 this requirement will apply to contracting authorities with anticipated annual spend of £200million or above and from April 2023 it will also apply to contracting authorities with anticipated annual spend of £100million or above.



# Managing Uncertainty

Contracting authorities should add information about a potential commercial activity onto the commercial pipelines as early as possible. The information documented in their commercial pipelines should be as up to date as possible. There are times when plans change, and anticipated procurements may move or be amended for a variety of reasons, including receiving feedback from market engagement, changes to funding, and changes to authorities' strategy. Where information is not yet known, the contracting authority should enter approximate information and further information can be provided in the "Supporting Comments" field. Commercial Leads should be inputting accurate information at the time of completing the MVP, this information can be changed later in the development if required.

Regardless of the uncertainty, information in Box 1 that are marked with an Asterix (\*) should be available right from the beginning rather than left blank.

## Box 3: Examples of managing uncertainty

(1) Indicative and changing information  
 The following table shows how the information published on the pipeline for a procurement project planned in June 2021 changes over time due to changing circumstances and information.

Timeline	Planning activities	Pipeline information	Commentary
Jan 2020	Planning for a procurement Procurement start date: Jun 2021 Sourcing route: Framework	Proc start date: 15 Jun 2021 Sourcing route: Framework	I do not know when exactly my procurement will be in June and I have put in an indicative date.
Jun 2020	Due to an unforeseen worldwide pandemic, procurement plans are delayed by approximately 3 months Procurement start date: Oct 2021	Proc start date: 15 Oct 2021 Sourcing route: Framework	I update the procurement start date in the pipeline to the best of my knowledge.
Jan 2021	Following market engagement activities, it has been decided that Framework is not the best sourcing route. I also need more time to conduct the procurement and foresee a delay of 1 month	Proc start date: 15 Nov 2021 Sourcing route: Open procedure	I update the sourcing route in the pipeline following market engagement and the anticipated procurement start date.

### (2) Unknown information

At the earliest planning stages of a procurement, it is expected that some data fields are unknown and “to be confirmed”. Information also changes over time. The table below shows how information is built up over time, and is firmed up closer to the procurement start date.

However contracting authorities should always seek to enter forecasted information based on planning at that point of time, rather than leave the data field as unknown. The contracting authority can use the “supporting comments” field to provide further context.

While dependent on size and complexity of a procurement, there should be no blanks 12 months prior to the start of the contract.

<b>Date of pipeline publication</b>	<b>Contract title</b>	<b>Estimated Procurement start date</b>	<b>Planned Sourcing route</b>	<b>Estimated Contract value</b>	<b>Estimated Contract length</b>
Mar 2020	Security service	15 Jun 2021	Framework	To be confirmed (left blank)	To be confirmed (left blank)
Sep 2020	Security service	15 Oct 2021	Framework	£5m	24 months
Mar 2021	Security service	15 Nov 2021	Open procedure	£5m	24 months

# Publishing Pipelines

## **Publishing procurement pipelines - supporting suppliers**

In line with the Sourcing Playbook, publishing a **forward look** of procurement opportunities<sup>8</sup> is one way of supporting potential suppliers and achieving a diverse mix of suppliers. Pipelines should be considered as one of a range of interventions to broaden and strengthen markets, including early market engagement, and activities to support new suppliers in understanding how to bid for public sector business.

The Sourcing Playbook provides the policy on publishing pipelines and the National Procurement Policy Statement provides the minimum requirements. Contracting authorities are encouraged to go beyond the minimum requirements, as detailed in this guidance. Organisations should consider how these requirements could be built on in the future to provide greater support to markets, and particularly to SMEs and VCSEs.

## **What information should be published**

The published pipeline should be an extract of the internal pipeline that the organisation holds including all commercial activities. The National Procurement Policy Statement requires published pipelines to include information relating to procurements with an expected total contract value<sup>9</sup> of £2million or more, however contracting authorities are encouraged to also publish information relating to procurements of lower value, and particularly those which may be of interest to SME and VCSE suppliers.

The published pipeline shall contain a forward look of commercial activities that are to take place in the next 18 months as a minimum *from the date of publication*. Where possible, contracting authorities should go beyond this to publish information about procurement activities they reasonably expect to undertake in the next 3-5 years. The published pipeline is a forward look and therefore should only include activities where the procurement or extension has not yet started.

Where there are national or international security-related reasons for not publishing information about a procurement, then this information should not be published. It is expected that there will only be a very small number of such exceptions.

## **When to publish a pipeline**

The legislative requirement to publish a pipeline requires relevant contracting authorities to publish a pipeline every year, no later than 28 days after the start of the financial year in April. Contracting authorities must regularly review their pipeline data to ensure it is up to date. This must happen no less than once a year, but contracting authorities are encouraged to review and update their information more frequently than this, best practice is every 6 months as a minimum. Contracting authorities should allow sufficient time for internal review, redaction, and publication through communications teams to meet the legislated timeline. The length of the published pipeline will vary depending on the nature of the contracting authorities spend (see Supplementary Definitions for more information).

## **How to publish a pipeline**

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<sup>8</sup> Procurement opportunities include procurement of contracts, procurement of frameworks and call-offs from frameworks.

<sup>9</sup> With respect to frameworks, “contract value” refers to the expected total value of contracts that would be called-off from the framework.



## Commercial Pipeline – Government Commercial Functional Standard

Pipelines need to be readily accessible to anyone who is looking for information about upcoming public sector procurement activities. Where there is a common system for the publication of procurement pipelines, this should be used. Otherwise, contracting authorities should publish their pipelines on the organisation's website in a format based on [GOV.UK publishing standards](#).

### **Managing uncertainty with the supplier market**

Contracting authorities should come to reasonable judgements about which potential procurements to publish, considering the likelihood of the procurement going ahead and factors such as the availability of funding. There will be other times when procurements become required at short notice and may take place without having been included on a pipeline.

Information published on a pipeline is provided for planning purposes only and *does not* create any commitment to undertake all or any of the activities as set out in the pipeline. It is only an indication of potential opportunities. Similarly, contracts awarded for procurements that were not included on a pipeline will not be invalid because they were not included.

Contracting authorities are encouraged to be transparent about future procurements and share information as early and as fully as is possible. Where appropriate, organisations can consider publishing a range of values rather than precise information (such as providing a value range for contract value or only the month and year for dates).

## Supplementary Definitions

Ref	Field	Description
a	New Requirement	This is where there is a new requirement and this has not been procured in the past.
b	Re-procurement (same scope)	The re-procurement of a good or service with the same scope to the current contract.
c	Re-procurement (different scope)	The re-procurement of a good or service but with a different scope to the current contract.
d	Extension (in contract)	The current contract is being extended and has provision to do so.
e	Contract amendment	The current contract is being amended significantly.
f	Framework	This is a contract which is being procured via a framework.
g	Dynamic Purchasing System	This is a public sector sourcing tool for services and goods. It is similar to an electronic framework, but new suppliers can join at any time.
e	Pipeline Length	The time period that the pipeline covers. For both the external and internal pipeline, this covers the date that the pipeline is published to the start-date of the last recorded procurement activity.

### Sourcing Routes

The potential options for procurement sourcing routes are:

- Open
- Competitive quotation
- Call off from a Framework agreement
  - Direct Award
  - Mini-competition
- Call off from a Dynamic Purchasing System
- Catalogue purchase
- Single tender action
- Unknow

### Contacts

Enquiries about this document should be directed to the Commercial Continuous Improvement Team at [commercialstandards@cabinetoffice.gov.uk](mailto:commercialstandards@cabinetoffice.gov.uk)

