

Buyer's Guidance – Supporting the procurement of Artificial Intelligence via CCS agreements

Summary

AI presents considerable opportunities for the UK Public Sector. However it is important to understand the associated risks and ensure any public procurement of products or services that involve AI provide suitable protections.

This document offers some tips and resources to help you secure a good commercial outcome from your procurement. It supplements the Buyer's Guidance document that is published for each CCS commercial agreement that offers AI within its scope.

Familiarise yourself with best practice

A lot of detailed guidance exists to support the public sector's procurement of AI. If you are considering the procurement of AI or if AI will form a significant part of your requirements, you should become familiar with this guidance and make sure you're taking steps to align with best practice.

Key publications in relation to the procurement of AI are:

- [Guidelines for AI procurement](#) - provides a summary of best practice when buying AI technologies in government, by stage:
 1. [Preparation and planning](#): Getting the right expertise, data assessments and governance, AI impact assessment and market engagement
 2. [Publication](#): Problem statements, specification, avoiding vendor lock-in
 3. [Selection, evaluation and award](#): Setting robust criteria, ensuring you have the correct expertise
 4. [Contract implementation and ongoing management](#): Managing your service, testing for security and how to handle end of life considerations
- [Digital, Data & Technology \(DDaT\) playbook](#) - provides general guidance on sourcing and contracting for digital and data projects and programmes, which all central government departments and their arms length bodies are expected to follow on a 'comply or explain' basis. It includes specific guidance on AI and machine learning, as well as Intellectual Property Rights (IPR).
- [Procurement Policy Note \(PPN\) 02/24: Improving transparency of Artificial Intelligence Use in Procurement](#) - provides optional questions to help identify the use of Artificial Intelligence in procurements, and in the delivery of Government Services.

For broader guidance, the Central Digital & Data Office has produced a [Generative AI](#)



[Framework](#) which contains guidance on using generative AI safely and securely. Although aimed at civil servants and people working in government organisations, the framework is a useful reference for the entire Public Sector.

Aligning procurement and ethics

It's important to consider and factor in data ethics from the outset of your procurement. A range of [guidance relating specifically to AI and data ethics](#) is available which collates existing ethical principles, developed by government and public sector sector bodies. We've highlighted below some guidance, which is particularly relevant.

- The [Data ethics framework](#) outlines appropriate and responsible data use in government and the wider public sector. The framework helps public servants understand ethical considerations, address these within their projects, and encourages responsible innovation.
- [Data ethics checklist](#): CCS has created a checklist for suppliers to follow that will mitigate bias and ensure diversity in development teams, as well as transparency/interpretability and explainability of the results.
- [The Algorithmic Transparency Recording Standard](#) helps public sector organisations provide clear information about the algorithmic tools they use, and why they're using them.

Specifying your requirements

When drafting requirements for which AI is a core or ancillary element, you should:

- Start with your problem statement
- Highlight your data strategy and requirements
- Focus on data quality, bias (mitigation) and limitations
- Underline the need for you to understand the supplier's AI approach
- Consider strategies to avoid switching costs
- Apply the [data ethics framework principles](#) and [checklist](#)
- Mention any integration with associated technologies or services
- Consider your ongoing support and maintenance requirements
- Consider data format and provide suppliers with dummy data where possible
- Provide guidance on budget to consider hidden costs
- Consider intellectual property rights and who will have these if new software is developed
- Consider any acceptable liabilities and appetite for risk

For further information, read the [Selection, Evaluation and Award](#) section of the Guidelines for AI Procurement. Also, our CCS guide on '[How to write a specification](#)'.



Selecting your route to market

In most cases, CCS uses the Public Sector Contract (PSC) as the basis of its agreements. This will contain provisions relating to, for example, intellectual property rights and data protection. If you have decided to use a CCS framework as your route to market, you must review the contract terms created for the agreement that you have selected and ensure that any amendments, to fit your particular requirement, are permissible in accordance with terms of the applicable framework and the Public Contracts Regulations 2015.

Depending on your confirmed requirements, you should review the available CCS agreements with AI in their scope, for example:

Dynamic Purchasing Systems:

- [Artificial Intelligence](#)
- [Automation Marketplace](#)
- [SPARK](#)

Frameworks:

- [Big Data & Analytics](#)
- [Technology Products & Associated Services 2](#)
- [Technology Services 3](#)
- [Back Office Software](#)
- [Cloud Compute 2](#)

Running your procurement

Having prepared your procurement strategy, defined your requirements, and selected your commercial agreement, you can now proceed to conduct a 'call-off' in accordance with the process set out in the agreement's Buyer's Guidance.

Procurement in an emerging market

Commercial agreements

AI is an emerging market. As well as rapidly evolving technology, there are ongoing changes in the supply base and the products and services it offers. CCS aims to provide ongoing suitable routes to market in spite of this unstable marketplace. If you are interested in shaping CCS's longer term commercial agreement portfolio, please express your interest via softwarecategory@crowncommercial.gov.uk.

Regulation and policy

Regulation and policy will also evolve to keep pace. However, there are already a number of



legal and regulatory provisions which are relevant to the use of AI technologies, including:

- [UK data protection law](#): regulation around automated decision making, processing personal data, processing for the purpose of developing and training AI technologies. In November 2022, a new Procurement Policy Note was published to provide an update to this: [PPN 03/22 Updated guidance on data protection legislation](#).
- [Online safety bill](#): provisions concerning design and use of algorithms are to be included in a new set of laws to protect children and adults online.

Other helpful information

- [A pro-innovation approach to AI regulation: government response](#): detailing the government's response to the white paper consultation published in March 2023, which set out early steps towards establishing a regulatory regime for AI, including five principles to guide responsible AI innovation in all sectors.
- [AI assurance techniques](#): The portfolio of AI assurance techniques has been developed by the Responsible Technology Adoption Unit, a directorate within DSIT, initially in collaboration with techUK. The portfolio is useful for anybody involved in designing, developing, deploying or procuring AI-enabled systems, and showcases examples of AI assurance techniques being used in the real-world to support the development of trustworthy AI.