

## PROCUREMENT THRESHOLDS ANNEX

### 1. Introduction

The Public Contracts Regulations 2015 (“PCR 2015”) set out statutory thresholds (i.e., financial limits) for different types of procurement. Any spend by the Council which is above these thresholds must be conducted in accordance with the requirements set out in the PCR 2015. Spend that is below the statutory thresholds should be conducted as set out in the tables in this Procurement Thresholds Annex.

### 2. Interpretation

Capitalised terms used in this document shall have the meanings given to them in the Council’s Constitution.

This Procurement Thresholds Annex should be read in conjunction with the Contract Procedure Rules set out in Chapter 1, Part 2 of the Constitution.

### 3. Procurement Thresholds

The current statutory spend thresholds are as follows:

<b>Goods and Services</b>	Up to £213,477
<b>Works</b>	Up to £5,336,937
<b>Light Touch Regime</b>	Up to £663,540

When applying the thresholds in this Procurement Thresholds Annex, contract values should be calculated on the basis of the whole life of the contract and should **include VAT**. No deduction should be made for any available VAT recovery and the standard rate of VAT (currently 20%) should be used.

When advertising a contract, and for contract award notices, the estimated contract value should be provided **exclusive of VAT**.

Note that the Procurement Thresholds in the PCR 2015 are subject to change and should be confirmed with Legal Services and Procurement before commencing a procurement exercise.

### 4. Key Decisions

Notwithstanding the rules set out in this Procurement Thresholds Annex, where any procurement requires a Key Decision to be made, that Key Decision must be given and recorded before proceeding to procure. Key Decisions require Cabinet approval as set out in the Constitution.

A Key Decision will be required in respect of any procurement that will:

(a) incur expenditure of £500,000 or more for revenue spend; and/or

(b) have a significant impact on two or more electoral wards,

("Key Decision Threshold")

## **5. Exemptions**

Any exemption to the Contract Procedure Rules and/or the requirements set out in this Procurement Thresholds Annex must be in accordance with Rule 14 of the Contract Procedure Rules and the Exemptions Annex. An exemption may not be used for an Above Threshold Procurement. The presumption is in favour of competitive process i.e., undertaking further / mini competitions via a Framework Agreement except in circumstances where the only call off process under the Framework is via a direct award.

## **6. Frameworks**

There are a number of procurement organisations that provide Frameworks that have been compliantly procured under the PCR 2015 from which the Council can call off. Each Framework will have its own call-off process, which could be a mini-competition or direct award. The Procurement team will provide support on finding suitable frameworks and support you through the process to award via the Framework.

Any procurement that uses a Framework must be compliant with the terms of the Framework and the PCR 2015.

## **7. Procurement Board**

All contracts with a value of £25,000 or more (over the life of the contract) will be reviewed by the Procurement Board in accordance with Rule 18 of the Contract Procedure Rules.

## GOODS AND SERVICES

The following table sets out the procurement procedures that apply to the purchase of goods and services by the Council.

For the avoidance of doubt, goods and services includes the procurement of consultancy and other professional services, and the procurement of agency staff.

Value	Prior Council Approval before Procurement	Procurement Process	Exemption from Rules	Decision to Award	Other
Up to £30,000 ("Small Procurement Threshold")	Expenditure control panel ("ECP") approval required	At least 1 written quote unless an appropriate contract already exists	Not applicable	Budget Manager, Head of Service, Assistant Director or Executive Director approval given	Must demonstrate Best Value
Above £30,000 and up to £74,999	Approval from Strategic Panel ("SAP") required	Undertake quotation process At least 3 written quotes	Exemption process approved in line with Rule 8 of the Contract Procedure Rules	Dependent on value, Executive Director or Assistant Director (see "Procurement Approvals" below)	To be published on: <ul style="list-style-type: none"> <li>E-tendering Portal</li> <li>Contracts Finder</li> <li>Find a Tender (if Invitation to Tender issued)</li> </ul> Does not apply when procuring via a Framework
£75,000 to £213,477	Approval from SAP required	Competitively advertised tender, in accordance with advice from Procurement	Exemption process approved in line with Rule 8 of the Contract Procedure Rules	Dependent on value, Executive Director or Assistant Director (see "Procurement Approvals" below)	To be published on: <ul style="list-style-type: none"> <li>E-tendering Portal</li> <li>Contracts Finder</li> </ul>

Value	Prior Council Approval before Procurement	Procurement Process	Exemption from Rules	Decision to Award	Other
		Services, Legal Services and Finance			<ul style="list-style-type: none"> <li>Find a Tender (if Invitation to Tender issued)</li> </ul> <p>Does not apply when procuring via a Framework</p>
Above £213,477 (an Above Threshold Procurement)	<p>Approvals Required from</p> <ul style="list-style-type: none"> <li>SAP; and</li> <li>for contracts with a value over the Key Decision Threshold, Cabinet</li> </ul>	Procurement process to be conducted in accordance with PCR 2015	Exemption process subject to the PCR 2015 and Rule 8 of the Contract Procedure Rules	Dependent on value, Executive Director or Assistant Director (see "Procurement Approvals" below)	<p>To be published on:</p> <ul style="list-style-type: none"> <li>E-tendering Portal</li> <li>Contracts Finder</li> <li>Find a Tender (if Invitation to Tender issued)</li> </ul> <p>Does not apply when procuring via a Framework</p>

## LIGHT TOUCH REGIME

The Light Touch Regime applies to the procurement of public service contracts for social care services and certain other specified contracts pursuant to Regulation 5 of the PCR 15 as follows:

Value	Prior Council Approval before Procurement	Procurement Process	Exemption from Rules	Decision to Award	Other
Up to the Small Procurement Threshold	ECP approval required	At least 1 written quote unless an appropriate contract already exists	Not applicable	Budget Manager, Head of Service, Assistant Director or Executive Director approval given	Must demonstrate Best Value
Above Small Procurement Threshold and up to £663,540	Approvals Required from <ul style="list-style-type: none"> <li>• SAP; and</li> <li>• for contracts with a value over the Key Decision Threshold, Cabinet</li> </ul>	Competitively advertised tender, in accordance with advice from Procurement Services, Legal Services and Finance	Exemption process approved in line with Rule 8 of the Contract Procedure Rules	Dependent on value, Executive Director or Assistant Director (see "Procurement Approvals" below)	To be published on: <ul style="list-style-type: none"> <li>• E-tendering Portal</li> <li>• Contracts Finder</li> <li>• Find a Tender (if Invitation to Tender issued)</li> </ul> Does not apply when procuring via a Framework

Value	Prior Council Approval before Procurement	Procurement Process	Exemption from Rules	Decision to Award	Other
Above £663,540	<p>Approvals required from</p> <ul style="list-style-type: none"> <li>• SAP; and</li> <li>• for contracts with a value over the Key Decision Threshold, Cabinet</li> </ul>	<p>Procurement process to be conducted in accordance with PCR 2015</p>	<p>Exemption process subject to the Public Contracts Regulations 2015 in addition to Rule 8 of the Contract Procedure Rules</p>	<p>Dependent on value, Executive Director or Assistant Director (see "Procurement Approvals" below)</p>	<p>To be published on:</p> <ul style="list-style-type: none"> <li>• E-tendering Portal</li> <li>• Contracts Finder</li> <li>• Find a Tender</li> </ul> <p>Does not apply when procuring via a Framework</p>

## WORKS AND CONCESSIONS

The following table sets out the procurement procedures that apply to the procurement of works and concessions by the Council.

Value	Prior Council Approval before Procurement	Procurement Process	Exemption from Rules	Decision to Award	Other
Up to the Small Procurement Threshold	ECP approval required	At least 1 written quote unless an appropriate contract already exists	Not applicable	Budget Manager, Head of Service, Assistant Director or Executive Director approval given.	Must demonstrate Best Value
Above Small Procurement Threshold and up to £499,999	Approval required from SAP	Undertake quotation process  At least 3 written quotes	Exemption process approved in line with Rule 8 of the Contract Procedure Rules	Dependent on value, Executive Director or Assistant Director (see "Procurement Approvals" below)	<p>To be published on:</p> <ul style="list-style-type: none"> <li>• E-tendering Portal</li> <li>• Contracts Finder</li> <li>• Find a Tender (if Invitation to Tender issued)</li> </ul> <p>Does not apply when procuring via a Framework</p>

Value	Prior Council Approval before Procurement	Procurement Process	Exemption from Rules	Decision to Award	Other
Above £500,000 and up to £5,336, 937	Approvals required from <ul style="list-style-type: none"> <li>• SAP; and</li> <li>• for contracts with a value over the Key Decision Threshold, Cabinet</li> </ul>	Competitively advertised tender, in accordance with advice from Procurement Services, Legal Services and Finance	Exemption process approved in line with Rule 8 of the Contract Procedure Rules	Dependent on value, Executive Director or Assistant Director (see “Procurement Approvals” below)	To be published on: <ul style="list-style-type: none"> <li>• E-tendering Portal</li> <li>• Contracts Finder</li> <li>• Find a Tender</li> </ul> Does not apply when procuring via a Framework
Above £5,336,937 (an Above Threshold Procurement)	Approvals required from <ul style="list-style-type: none"> <li>• SAP; and</li> <li>• for contracts with a value over the Key Decision Threshold, Cabinet</li> </ul>	Procurement process to be conducted in accordance with PCR 2015	Exemption process subject to the Public Contracts Regulations 2015 in addition to Rule 8 of the Contract Procedure Rules	Dependent on value, Executive Director or Assistant Director (see “Procurement Approvals” below)	To be published on: <ul style="list-style-type: none"> <li>• E-tendering Portal</li> <li>• Contracts Finder</li> <li>• Find a Tender</li> </ul> Does not apply when procuring via a Framework



## PROCUREMENT APPROVALS

The approvals in the table below apply to any proposal to:

- (a) proceed to tender;
- (b) award a contract;
- (c) waive any part of the Contract Procedure Rules;
- (d) extend a contract; and
- (e) make a variation to a contract with financial implications above the Key Decision Threshold.

Approver	Financial Threshold	Conditions
Cabinet or Cabinet Member with delegated authority (" <b>Delegated Cabinet Member</b> ")	Contracts with a value above the Key Decision Threshold	
Executive Director in conjunction with the Cabinet Member holding the relevant portfolio, or their delegate	Contracts with a value up to the Key Decision Threshold	For contracts above £350,000, the Executive Director and Cabinet Member must exercise the approval power personally and may not delegate
Executive Director, or their delegate	Contracts with a value up to £500,000	For contracts above £350,000, an Executive Director must exercise the approval power personally and may not delegate

Assistant Director	Contracts with a value up to £350,000	Not to be exercised by a delegate
Executive Director or Assistant Director		<ul style="list-style-type: none"> <li>• the Delegated Cabinet Member has been consulted by means of a written report; and</li> <li>• the written report sets out the nature of the contract, the tenders received and a recommendation as to the course of action proposed; and</li> <li>• the Delegated Cabinet Member has signified in writing their approval to the course of action proposed</li> </ul>

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