

Procurement Policy Note – Procurement Thresholds from 1 January 2010



Information Note 13/09 1 December 2009

Issue

1. Advance notification of revised thresholds to apply from 1 January 2010.

Dissemination

2. Please circulate this Procurement Policy Note (PPN) within your organisation, agencies, non-departmental public bodies (NDPBs), and any other bodies for which you are responsible for, drawing particular attention to those with a purchasing role.

Contact

3. Enquiries about this paper should be addressed to the OGC Service Desk 0845 000 4999 servicedesk@ogc.gsi.gov.uk.

Background

4. The thresholds that apply to the procurement Directives are revalued every two years. This is to ensure that they remain consistent with the thresholds used for the WTO Government Procurement Agreement (GPA) whose requirements are incorporated into the Directives. The GPA figures are quoted in Special Drawing Rights (SDR). The European Commission has calculated the new Euro thresholds by taking the average of the daily exchange rate with the SDR over the period 1 September 2007 to 31 August 2009. The SDR figures include an amount for VAT so a notional 13% is deducted from the exchange rate to arrive at the Euro figure. The sterling figures are based on the average exchange rate average between € and £ over the same period.
5. Because of the relative strength of the currency the Euro thresholds show a reduction over the current figures. However the weakness of Sterling in the same period means the UK is one of three currencies where the thresholds have actually risen.
6. Thresholds are shown on the following table. At the time of writing they had not been formally promulgated by the Commission, however they have indicated that they will not change and have asked that member states notify authorities of the new figures. The web page version will include an OJEU reference to the formal notification.

PUBLIC CONTRACTS REGULATIONS 2006 - FROM 1 JANUARY 2010

Figures are net of VAT

	SUPPLIES	SERVICES	WORKS
Entities listed in Schedule 1	£101,323 (€125,000)	£101,323 ² (€125,000)	£3,927,260 (€4,845,000)
Other public sector contracting authorities	£156,442 (€193,000)	£156,442 (€193,000)	£3,927,260 (€4,845,000))
Indicative Notices	£607,935 (€750,000)	£607,935 (€750,000)	£3,927,260 (€4,845,000)
Small lots	£64,846 (€ 80,000)	£64,846 (€ 80,000)	£810,580 (€1,000,000)

¹ Schedule 1 of the Public Contracts Regulations 2006 lists central government bodies subject to the WTO GPA.

² With the exception of the following services, which have a threshold of £156,442 (€193,000)

- Part B (residual) services
- Research & Development Services (Category 8)
- The following Telecommunications services in Category 5
 - CPC 7524 - Television and Radio Broadcast services, CPC 7525 - Interconnection services
 - CPC 7526 - Integrated telecommunications services
- Subsidised services contracts under regulation 34.

UTILITIES CONTRACTS REGULATIONS 2006 - FROM 1 JANUARY 2010

	SUPPLIES	SERVICES	WORKS
All sectors	£313,694 (€387,000)	£313,694 (€387,000)	£3,927,260 (€4,845,000)
Indicative Notices	£509,317 (€750,000)	£509,317 (€750,000)	£3,927,260 (€4,845,000)
Small lots	£64,846 (€ 80,000)	£64,846 (€ 80,000)	£810,580 (€1,000,000)

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