

The new procurement Thresholds for the two years commencing 1st January 2012 have been published.

Remember, these thresholds apply to the *Total contract value*, they are not annual amounts. On 1 January 2012, the financial thresholds governing when the European Procurement Rules apply to Central Government bodies (including the NHS) and other bodies such as Local Authorities, RSLs, etc., procuring services, supplies and works will change to the following amounts:

PUBLIC CONTRACTS REGULATIONS 2006 FROM 1 JANUARY 2012

	Supplies	Services	Works
Entities listed in Schedule (1)	£113,057 (€ 130,000)	£113,057 (2) (€ 130,000)	£4,348,350 (€ 5,000,000)
Other public sector contracting authorities such as Local Authorities, RSLs, etc.	£173,934 (€ 200,000)	£173,934 (€ 200,000)	£4,348,350 (€ 5,000,000)
Indicative Notices	To be confirmed	To be confirmed	£4,348,350 (€ 5,000,000)
Small Lots	To be confirmed	To be confirmed	To be confirmed

Figures are net of VAT

Schedule 1 of the Public Contracts Regulations 2006 lists central departments and bodies (including the NHS) subject to the WTO GPA

These new sets of thresholds represent a significant increase on the thresholds which were in force from January 2010 to December 2011.

The purchasing Authorities must take into account the possibility of a cross border interest in a tender, even if the total value of the contract is below the threshold, or if the contract falls under part b of the Public Contracts Regulations 2006 where an advertisement in the OJEU is not normally required. **If the purchaser considers that there is a possibility of cross border interest, then the purchaser may be required to advertise the tender in the OJEU.**

CCGs, when they have been formed, will be subject to European procurement rules. So CCGs must also take note of the new thresholds. Whether or not the thresholds for “other public sector contracting bodies” or those pertaining to the Schedule (1) [central government departments] will apply to CCGs will depend on the final conclusion and text of the Health and Social Care Bill when this becomes law.

9th December 2011

