



## **Procurement Policy Note**

**PPN 04/21**

# **Procurement Control Limits**

Revised: 26 November 2021

## PROCUREMENT POLICY NOTES

[Northern Ireland Public Procurement Policy \(NIPPP\)](#) is approved by the Northern Ireland Executive and is mandatory for central government Departments, Non-Departmental Public Bodies and Public Corporations.

Procurement Policy Notes (PPNs) set out the Executive's policy.

If a Department wishes to opt out of this policy it must attain Ministerial approval.

### Revision History

First issued	22 November 2021
Revised to clarify values are exclusive of VAT	26 November 2021

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### Definition of Terminology

In the preparation of this policy, the term **contractor/supplier** has been used to denote an organisation that contracts directly with a Department, whether it is a supplier, a service provider or a construction contractor.

The term **Department** has been used to refer to those bodies subject to Northern Ireland Public Procurement Policy including Departments, Non-Departmental Public Bodies and Public Corporations. A full list of such bodies is available in Annex A of the [Northern Ireland Public Procurement Policy \(NIPPP\)](#).

The term **eTendersNI** has been used to describe the current web-based portal used by the wider Northern Ireland public sector to advertise and tender its available contracts.

## 1 PURPOSE

1.1 The purpose of this Procurement Policy Note (PPN) is to set out the Procurement Control Limits (PCLs) which are designed to ensure that public procurement contributes to a strong, competitive, regionally balanced economy by:

- stimulating effective competition (competition is the best way of achieving and demonstrating Best Value for Money);
- achieving a balance between the value of the contract and the transactional cost of undertaking the procurement procedures; and
- ensuring a proportionate approach is taken to procurement for low value requirements.

## 2 BACKGROUND

2.1 At the heart of Northern Ireland Public Procurement Policy is the achievement of 'Best Value for Money'. The PCLs contained within this note are set to stimulate competitive supply which states that procurement should be carried out by competition unless there are convincing reasons to the contrary. Competition promotes economy, efficiency and effectiveness in public expenditure and also contributes to the competitiveness of contractors.

2.2 In determining the value of a contract, for the purpose of assessing whether it is above the threshold, the value of all options and renewals must be taken into consideration.

2.3 Departments must not split purchases or disaggregate project costs in order to circumvent the control limits set out in this note.

2.4 The PCLs in this note provide the optimum level required to ensure that the transaction cost of procurement procedures is efficient, whilst maintaining a sufficient level of competition to achieve best value for money.

2.5 To ensure consistency and transparency in the award of contracts, Departments must use eTendersNI.

### 3 PROCUREMENT CONTROL LIMITS

Value (exclusive of VAT)	Procedure
Up to £5,000 Up to £10,000 (Health)	Departments must demonstrate that value for money has been secured.
£5,000 to £30,000 £5,000 to £50,000 (Utilities) £10,000 to £30,000 (Health)	Seek a minimum of two tenders.
£30,000 to Thresholds £50,000 to Thresholds (Utilities)	Advertise on eTendersNI.
Above Thresholds	Advertise on eTendersNI. Public Contracts Regulations / Utilities Contracts Regulations apply – advertise on Find a Tender service.

#### 3.1 Purchases up to £5,000 (£10,000 Health) exclusive of VAT

Such purchases, with the exception of consultancy services, will be classified as procurement expenditure but they are not subject to procurement rules. Departments must ensure that these purchases are subject to value for money considerations and [Managing Public Money Northern Ireland](#). When acquiring consultancy services, Departments should first take advice from a Centre of Procurement Expertise (CoPE).

### 4 SOCIAL AND OTHER SPECIFIC SERVICES

4.1 The PCLs do not apply to certain social and other specific services which do not lend themselves to competitive markets. Further guidance can be found in PPN 02/21 Procurement of Social and Other Specific Services.

## 5 MONITORING AND REPORTING

- 5.1 Adherence to this PPN must be monitored and reported to ensure consistency of application.
- 5.2 Departments must ensure that eTendersNI is kept up to date with information on tenders and contracts awarded to allow reports to be generated on the volume and value of contracts awarded above £30,000 (£50,000 Utilities) exclusive of VAT.
- 5.3 The nature of and reason for a Department opting out of this PPN must be reported to CPD for publication in the Annual Procurement Report.

## 6 FURTHER INFORMATION

Any queries on this PPN should be addressed to:

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Construction & Procurement Delivery  
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