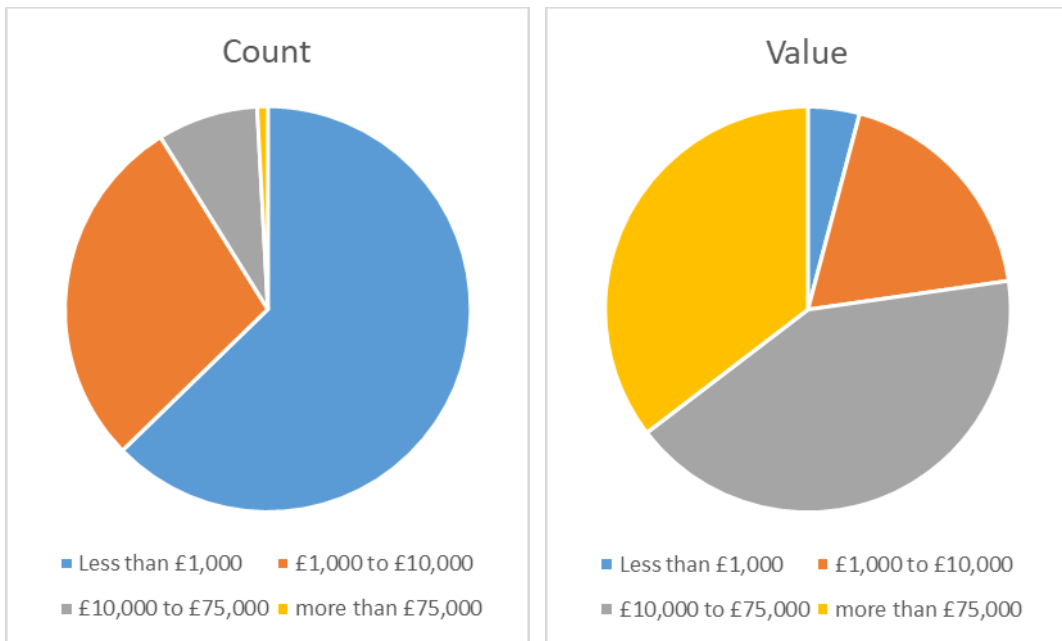


**Information on changes to the threshold for 'formal' procurement activity
Increasing the threshold from £1,000 to £10,000**

In **2019/20** we raised the following Purchase Orders (PO)¹:

PO Range	Count		Value	
£0 to £999	1555	63%	£494,769.54	4%
£1,000 to £9,999	704	28%	£2,238,648.88	19%
£10,000 to £74,999	199	8%	£5,034,303.30	42%
more than £75,000	21	1%	£4,254,135.42	35%
Grand Total	2479		£12,021,857.14	



The above spend includes circa £2.8 million of capital spending.

Based on the data above, by changing the lower threshold in the Contract Procedure Rules (CPRs) we will be making it less onerous to compliantly make a purchase / let a contract under £10,000 which accounts for 91% of the volume of purchase orders and 23% of spend value.

Under the current CPRs for activities between £1,000 and £10,000, officers are directed to use a third party framework agreement or seek 3 quotations; my recommendation in the new CPRs is that this changed to a range of approaches including:

- Obtaining at least 2 written Quotes
- Obtaining pricing from at least 2 on-line stores
- Undertaking market research that evidences only one suitable supplier and seeking pricing from them
- Carrying out another process as agreed with the Procurement Manager in advance

Note: This summary has been based on the spend data currently available; we are currently identifying additional information which needs to be collected in order to provide more detailed data in future.

¹ Procurement related – excludes purchase orders for grants, pensions, rent, business rates etc.