

PROCUREMENT FORWARD

2023/25

Introduction

The Procurement Procedure Rules, which support the Joint Procurement Strategy, are essential to the achievement of the Karbon’s Procurement Objectives and set out the processes that must be followed.

A revised version of the Procurement Procedure Rules the Procurement Bill, which will reform the existing Procurement Rules, has now been introduced in Parliament. The Bill will take several months to complete its passage. Following Royal Assent, there will then need to be secondary legislation (regulations) made to bring some elements of the Bill and the wider regime into effect.

It was proposed within the Rules that the Procurement Forward Plan would be reported as part of the Budget and Medium-Term Financial Plan in February each year.

This would identify all registered procurement activity to be completed in the following financial year, with approval sought to commence procurement of all activity listed. Performance and activity (including confirmation of award) against the forward plan would then be monitored and reported within the Quarterly Procurement Report to Committee.

The approval limits to be applied to then authorise the award of contracts and apply exemptions are in line with Public Contract regulations supplies and service thresholds which are refreshed every two years. The latest revision to thresholds were implemented in 01 January 2022, this will therefore instigate a change to the levels of authorisation included within the Karbon’s Procurement Procedure Rules.

Notification of the new threshold values to apply for the purposes of the Public Contracts Regulations 2015, Utilities Contracts Regulations 2016, Concession Contracts Regulations 2016 and the Defence and Security Public Contracts Regulations 2011. The threshold values are refreshed every two years and it is mandatory for public sector contracting authorities to adhere to these regulations.

The new procurement threshold values will apply to contracts advertised on and after 1 January 2022 and are detailed as follows:

The revised thresholds below are exclusive of VAT and relate to the full life of the Contract.

Public Contract Thresholds 2023 & 2024	£
Works Contracts	£5,336,937
Supply, Services and Design Contracts	£213,477
Social and other specific services	£663,540
Subsidised services contracts	£213,477
Concession Contracts	£5,336,937

The Group’s Procurement Procedure Rules for Authorisation to procure and award contracts are requested to be updated to reflect the changes in the new thresholds. For procurements which commence after 1st January 2022 the revised thresholds as detailed in the table below, the Procurement Procedure Rules will apply (these values are not inclusive of VAT).

Estimated Contract Value* (excluding VAT)	Required Action
£10,000 to £24,999	Obtain a minimum of three proposals.
£25,000 to £99,999	Obtain a minimum of three proposals. Inform Procurement of successful supplier so Contract Award Notice can be published.
£100,000 and over	Contact Procurement who will be able to support you to complete a procurement process appropriate to the requirement. This may include a tender, or a direct award or further competition using a framework.

Procurement Forward Plan

The Procurement Forward Plan, detailing all high value anticipated procurement activity during is detailed on our website <https://www.karbonhomes.co.uk/about-us/open-and-transparent/procurement-new/>.

In addition to procurement activity commissioned by the Karbon homes, there may also be procurement activity commissioned via an agent on behalf of Karbon where appropriate to do so. In this case, Karbon would complete due diligence to ensure compliancy and value for money has been achieved.

Agents delegated to procure contracts on behalf of Karbon, where Karbon is the Contracting Authority, will be required to procure in compliance to Public Contract Regulations 2015 (PCRs15) for above threshold contracts and for contracts for lower values demonstrate that their procurement practice is as robust and transparent as that Karbon would apply.