

## THRESHOLDS

The Procurement Office role is to provide professional, qualified procurement expertise, advice and services; for all spend with external suppliers; in compliance with the Public Contract (Scotland) 2015 Regulations, the Procurement Reform Act 2014, the Procurement (Scotland) Regulation 2016 and any other EU Directives. We will procure all goods and services with high ethical standard and focussed on social, economic and environmental considerations by applying principles of sustainable procurement.

To help manage the volume and diversity of buying activity in the University it is necessary to set sensible limits where quotations and tenders must be obtained. Unless an exceptional case can be made for Purchasing Policy Exception in advance of that purchase being made then the following thresholds will apply.

In assessing the threshold, it should be noted that the number is determined by the value of the total contract or the total of aggregated orders likely to be place over a period of forty eight months. For example, a recurring payment of £1000 per month payable for thirty-six months should be treated as an expenditure of £36,000

### Expenditure under University Procurement Policy threshold EXCLUDING VAT

- Expenditure up to £999 – one verbal quotation
- Expenditure £1000 to £2,999 - one written quotation
- Expenditure £3,000 to £4,999 - two written quotations
- Expenditure £5,000 to £24,999 – three written quotations
- Expenditure over £25,000 tender procedure applies – contact Procurement Office

The Contracts Register is a list of Suppliers that have a valid contractual Agreements in place for specific requirements such as goods, service or works. The University do not hold an “APPROVED VENDOR” list. Suppliers listed on the Contracts Register are only approved to provide the services identified at the tender stage and included in the Contractual Agreement. Please contact the Procurement Office for guidance relating to the Contracts Register.

### Expenditure over the Procurement Reform (Scotland) Act 2014 Thresholds EXCLUDING VAT

For the purposes of the Procurement Reform (Scotland) Act 2014 the contract threshold is £50,000 for goods and services contracts and £2 million for works contracts (known as “regulated procurements”). All regulated procurements must be advertised on the Public Contracts Scotland.

### Expenditure over the World Trade Organisation’s Government Procurement Agreement INCLUDING VAT

The current thresholds for Supplies and Services are £213,477 and for Works are £5,336,937 inclusive of VAT (indicative figures for excluding 20% VAT are for Supplies and Services are £177,897 and for Works are £4,447,447. In all cases expenditure of this level must be advertised and tendered under the Public Contracts (Scotland) Regulations 2015. Contact the Procurement Office for guidance.

If VAT is initially payable but later recoverable it must be included in the calculation of the estimated value of the contract.

### **Expenditure with an approved supplier where the goods/service being procured were not part of the original tender**

This occurs most frequently where a company has won a contract via a competitive tender to provide maintenance and repair but is also occasionally asked to provide/install new goods/services. Installation or the provision of new goods/services are not covered by the contract and should be considered as new business, and treated as follows:

- a) Expenditure up to £1,000 - the item/service can be provided in accordance with the Procurement Policy threshold levels, provided it is ratified by the issue of a University Purchase Order,
- b) Expenditure £1,000 to £25,000 must be in compliance to the Procurement Policy thresholds i.e. 3 quote process, and ratified by the issue of a University Purchase Order,
- c) Greater than £25,000 tender procedure applies in accordance with the Procurement Policy thresholds contact the Procurement Office to engage in a compliant tender process.