

Rules that have been changed in Procurement Code Part 1

16. Contracts Lettings Thresholds

- 16.1.** The contracts lettings thresholds set out the types and levels of approvals required by officers to proceed with the various phases of non-project related procurements and the award of contracts.
- 16.2.** Different approval processes and thresholds apply to the procurement phases of projects. The project approval thresholds can be found on the Project pages of COLNET¹.
- 16.3.** For non-project related contracts, depending on the estimated contract value and the per annum contract value, there may be 4 stages of committee involvement:-
- **Stage 1:** Finance Committee agrees the high level evaluation criteria to be applied in the selection process.
 - **Stage 2:** Finance Committee receives a 'for information' update following supplier short- listing.
 - **Stage 3:** Spending Committee receive a 'for information' report upon award of a contract valued above £500,000.
 - **Stage 4:** Depending on the contract value, Finance Committee and Court of Common Council receives the final recommendation on contract award as shown in the table below.
- 16.4.** The following thresholds apply to the total contract value:

Table 3 Contracts Lettings Thresholds

Estimated Contract Cost	Approval Required by	Stages
Up to the limit of Chief Officer's Delegated Authority, but below £2,000,000 and excluding Corporate Contracts	Chief Officer (or an Officer with Delegated Authority from the Chief Officer)	3
Exceeding level of Chief Officer's Delegated authority, but below £2,000,000	Chamberlain or Category Board as delegated by the Chamberlain	3
£2,000,000 or more, but less than £4,000,000	Finance Committee	1 ,2, 3 and 4
£4,000,000 and above	Finance Committee and Court of Common Council	1 ,2, 3 and 4

25. Waivers

25.1 In special or exceptional circumstances identified in part 2 of the Code, the requirements of this Code may be waived provided one of the following authorisations has been received:

Table 4 Waiver Approval Thresholds

Estimated Contract Cost: Supplies & Services (including Consultancy Services)	Estimated Contract Cost: Works	Approval Required by
Less than £10,000	Less than £10,000	No waiver necessary procurement can be undertaken at officer's discretion. With the exception of a decision not to use a Corporate Contract where a Chief Officer waiver is required. Unless there are sound commercial or operational reasons for not doing so approved by the Head of Sourcing.
£10,000 or more, but less than £50,000	£10,000 or more, but less than £50,000	Chief Officer (or an Officer with Delegated Authority from the Chief Officer)
£50,000 or more but less than OJEU threshold for supplies & services ¹	£50,000 or more but less than £2,000,000	Spend Committee for the department requesting the waiver (and Projects Sub-Committee for contracts let as part of projects). If waiting for the next Committee meeting to gain waiver approval has a detrimental effect to the business, then the urgent waiver process can be applied.
	£2,000,000 or more but less than the OJEU thresholds for works²	Please refer to the CoL Project Gateway Approval Process .

¹ [EU Threshold for supplies and services](#)

² [EU thresholds for works](#)

25.2. The following thresholds will apply to **urgent** waivers:

Table 5 Urgent Waiver Approval Process

Estimated Contract Cost: Supplies & Services (including Consultancy Services)	Estimated Contract Cost: Works	Approval Required by
£50,000 or more but less than OJEU threshold for Supplies & Services ¹	£50,000 or more but less than £500,000	The Chamberlain may authorise such waivers under urgency.
	£500,000 but less than the £2,000,000	Town Clerk in consultation with Finance Committee Chairman (or Deputy Chairman in the Chairman's absence) and the Projects - Sub Committee Chairman.

25.3. All waivers granted will be reported to the next Finance Committee and relevant spend committees.

25.4. The requirement to obtain waivers for not using Corporate Contracts applies to all procurement values including purchases below £10,000.

25.5. The statutory provisions of PCR 2015 will be applied to all procurements by the City. As a result, **procurements over the OJEU thresholds cannot legally be waived** when the City is acting in its capacity as a local authority or police authority. When acting in a capacity other than as a local authority, waivers for procurements over the OJEU thresholds will not be considered unless the C&CS has provided written advice in accordance with rule 2.1 above.

¹ [EU Threshold for supplies and services](#)

26. Procurement Exemptions

26.1. Only in a very limited number of instances is it not necessary to seek a competitive tender or quotations. The approved list of exemptions to procurement is included in [Competitive Procurement Exemptions Policy](#).

31. Increases in Contract Value

31.1 For all contracts where specific provision has been previously approved and expenditure will exceed the approved provision (after allowing for inflation) by more than 20% or £400,000, whichever is the lowest; expenditure shall only be incurred when the following authorisations have been obtained:

Table 8 Increases in Contract Value Approval Thresholds

Expenditure	Approval by
Below £50,000	Chief Officer
£50,000 and over but less than £500,000	Spending Committee and the Committee(s) which considered the Detailed Options Appraisal or Contracts Letting Report
£500,000 and above	Spending Committee, the Committee(s) which considered the Detailed Options Appraisal or Contracts Lettings Report and the Court of Common Council

31.2. Where increases in contract value would result in low value contracts exceeding EU thresholds, the City has no authority to approve such increases and a new tender would be required.