



**COMPETITION, STATE AID & PUBLIC PROCUREMENT BULLETIN**

# THE **PUBLIC CONTRACTS** REGULATIONS - FINANCIAL **THRESHOLDS UPDATE**

The Public Contracts Regulations 2006 (the “PCR 2006”)<sup>1</sup> apply to contracts valued above certain financial thresholds. The PCR 2006 implement European Directive 2004/18/EC which sets out the financial thresholds in Euros<sup>2</sup>. The financial thresholds in this Directive have been amended, with effect from 1 January 2010, which requires that the financial thresholds in the PCR 2006 are also amended with effect from the same date<sup>3</sup>.

With effect from 1 January 2010, the applicable financial thresholds under the PCR 2006 are as follows. All figures are net of VAT. Please note that different thresholds apply to contracts regulated by the Utilities Contracts Regulations 2006.

	Supplies	Services	Works
Schedule 1 entities <sup>4</sup>	£101,323	£101,323 <sup>5</sup>	£3,927,260
Contracting authorities other than Schedule 1 entities	£156,442	£156,442	£3,927,260

It should be noted that the values of separate contracts may need to be aggregated before applying the financial thresholds.

The thresholds for Prior Information Notices and small lots are as follows<sup>6</sup>.

	Supplies	Services	Works
Prior Information Notices	£607,935	£607,935	£3,927,260
Small Lots	£64,846	£64,846	£810,580

**Note:**

This practice note seeks only to set out the values of the revised thresholds and should not be relied upon in relation to specific matters. You are advised to take legal advice in relation to particular issues and we will be happy to assist. If you have any questions about this practice note or a specific issue, please contact:

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<sup>1</sup> SI 2006 No. 5 - see primarily Regulation 8

<sup>2</sup> Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts - see primarily Article 7

<sup>3</sup> Commission Regulation (EC) No 1177/2009 of 30 November 2009 amending Directives 2004/17/EC, 2004/18/EC and 2009/81/EC of the European Parliament and Council in respect of their application thresholds for the procedures for the award of contracts

<sup>4</sup> This term refers to contracting authorities covered by the Government Procurement Agreement (listed in full at Schedule 1 of the Public Contracts Regulations 2006). The majority of Schedule 1 entities are government departments, but Schedule 1 should be checked for the full list

<sup>5</sup> Note that a higher threshold of £156,442 (EUR 193,000) applies to the following types of contracts where they are procured by Schedule 1 entities: (a) subsidised services contracts covered by regulation 34 PCR 2006; (b) services contracts listed at Part B, Schedule 3 PCR 2006; (c) contracts for research and development services (Category 8 of Part A, Schedule 3 PCR 2006); and (d) certain types of telecommunications services contracts listed at Category 5 of Part A, Schedule 3 PCR 2006 (television and radio broadcast services, interconnection services and integrated telecommunications services)

<sup>6</sup> See Regulation 11 and Regulation 8(12) PCR 2006