

August 2007/24

**Core funding/operations**

Request for data

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Completed survey forms should be returned to HEFCE by Friday 21 September 2007

This document requires all institutions to report the contracts they have awarded in the calendar year 2006, in accordance with the European Community's Directives on Public Procurement. In previous years we have requested this information in Circulars entitled 'Public supply, works and services contracts awarded in 200X'.

# **EU statistics on public procurement – annual return for calendar year 2006**

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Annex D Survey form for completion and return	(see separate download)

# EU statistics on public procurement - annual return for calendar year 2006

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To	Heads of HEFCE-funded higher education institutions English regional purchasing consortia
Of interest to those responsible for	Finance, Planning, Services
Reference	2007/24
Publication date	August 2007
Enquiries to	Stephen Butcher, HEFCE Head of Procurement and Shared Services (tel 0117 931 7425, e-mail <a href="mailto:s.butcher@hefce.ac.uk">s.butcher@hefce.ac.uk</a> )

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## Executive summary

### Purpose

1. This document requires all HEFCE-funded higher education institutions to report the contracts they have awarded in the calendar year 2006, in accordance with the European Community's Directives on Public Procurement.

### Key points

2. The EU Procurement Directives have been implemented into national law in the UK by Regulations. Revised Regulations came into force on 31 January 2006 to implement new Procurement Directives.

3. The information required is set out in the survey form at Annex D. We collect this information on behalf of the Government's recently created Department for Children, Schools and Families (DCSF).

4. As in previous years, institutions are required to submit returns electronically, and to use Common Procurement Vocabulary (CPV) codes.

5. This year the returns will need to incorporate some changes brought into effect by the Public Contracts Regulations 2006. The provision relating to the statistics exercise can be found in Regulation 40: [www.opsi.gov.uk/si/si2006/uksi\\_20060005\\_en.pdf](http://www.opsi.gov.uk/si/si2006/uksi_20060005_en.pdf)

6. The main changes are to reflect the use of the Competitive Dialogue procedures and to indicate in the return when a framework agreement has been awarded. It is information about the framework agreement itself that is required; information is not required on contracts 'called off' from framework agreements.

7. Information is required for **each** contract or framework agreement awarded during calendar year 2006 where the estimated value is above the threshold of the Regulations (or is otherwise caught by the aggregation rules) and it does not fall within the scope of one of the specified exemptions contained within the Regulations. **This is a legal requirement, nor a matter of discretion.**

### **Action required**

8. Completed survey forms should be returned by e-mail to Ruth Carpenter at HEFCE (r.carpenter@hefce.ac.uk) by **Friday 21 September 2007**. Returns must be made on the Excel spreadsheet, available on the web with this document at [www.hefce.ac.uk](http://www.hefce.ac.uk) under Publications. Where a nil return applies, institutions should still complete and return the form.

## Background

9. The EU Procurement Directives set out the legal framework for public procurement. They apply when public authorities seek to acquire goods, services, civil engineering or building works. They set out procedures which must be followed before awarding a contract when its value exceeds set thresholds, unless it qualifies for a specific exemption.

10. The Directives have been implemented into national law in the UK by Regulations. Revised Regulations came into force on 31 January 2006 to implement new Procurement Directives. These new Directives clarify, simplify and update the previous regime and introduce a number of new provisions.

11. The DCSF is responsible for gathering statistical returns from the higher education institutions covered by the Regulations. These returns are submitted to the Office of Government Commerce (OGC) and then to the European Commission.

12. The DCSF has asked us to collect information for HEFCE-funded higher education institutions for the calendar year 2006. The information required is set out in the survey form at Annex D.

## Guidance

13. Any queries about the UK Public Contracts Regulations 2006, or the EC Directives on Public Procurement, should be referred to Stephen Butcher, HEFCE Head of Procurement (tel 0117 931 7425, e-mail [s.butcher@hefce.ac.uk](mailto:s.butcher@hefce.ac.uk)).

14. The existence of devolved budgetary authority within an institution does not absolve that institution from ensuring that it complies with the EU directives. Responsibility for compliance rests with the institution; failure to comply is a breach of the regulations and leaves it open to legal challenge.

## Returns

15. The OGC requires returns to be submitted electronically. An Excel spreadsheet is available on the web (Annex D) with this document at [www.hefce.ac.uk](http://www.hefce.ac.uk) under Publications.

16. Institutions should not include contracts which have been placed through one of the four university regional purchasing consortia. Each consortium should make its own return.

17. The completed survey form should be returned as an e-mail attachment to Ruth Carpenter at HEFCE ([r.carpenter@hefce.ac.uk](mailto:r.carpenter@hefce.ac.uk)) by Friday 21 September 2007.

18. Where a nil return applies, institutions must still complete and return the survey form with the relevant sections completed.

## General requirements

19. Information is required in respect of **each** supply, work and Part A service (see Annex B) contract awarded in 2006. All institutions must provide a contact name, e-mail address and telephone number.

20. In obtaining and preparing returns, institutions should note the following general points:

a. The thresholds for 2006 were:

Supplies	£144,371
Services	£144,371*
Works	£3,611,319

\* A threshold of £144,371 applies to the following services for all authorities:

R & D Services (Category 8)

The following telecommunication services in Category 5

CPC 7524 – Television & Radio Broadcast Transmission Services

CPC 7525 – Interconnection Services

CPC 7526 – Integrated telecommunication services

Subsidised services contracts under regulation 34 of the Public Contracts Regulations 2006.

b. Contracting authorities are required to provide statistics for **each** contract at or above the relevant threshold awarded under the Regulations during 2006 (but see note I. below on aggregation).

c. Only contracts which were awarded during calendar year 2006 should be included in returns. Contracts for which the award procedure commenced in 2006 but for which the contract was not awarded until 2007 should not be included.

d. Actual or estimated contract values, exclusive of VAT, should be given. **Please do not include annual figures.**

e. Contracting authorities should include contracts which they have themselves awarded. This includes procurements for which another contracting authority has acted as an agent. A procurement by one department from another should be included (by the former) only if the requirement was put out to competition and awarded under the Regulations. Details of procurements not covered by contracts, for example customer service agreements with gas or water companies, are not required. Purchase orders are regarded as contracts.

- f. A number of contracting authorities have formed consortia to act as central purchasing bodies. Such consortia are themselves contracting authorities and should submit a return, either under their own name or one of the consortium members.
- g. Wherever possible, the price at which a contract was awarded should be used. If this is not possible – for example because the contract was for call-offs up to (but not necessarily reaching) a certain value, or because the contract contains a variation of price formula or provides the contracting authority with an option to extend – the best estimate of the total value should be used.
- h. Where a **framework agreement** has been awarded in accordance with the rules this should be indicated on the spreadsheet. The value shown should be the estimated value of anticipated call-offs or the maximum possible value of call-offs. Where more than one framework agreement has been awarded in response to a single requirement, authorities should estimate the likely total value of call-offs. Authorities should **not** report the value of call-offs, either from their own or from centrally arranged frameworks that have been awarded on their behalf. The assumption should be that the authority that has awarded the framework would report the information.
- i. Care should be taken to state the nationality of suppliers and **not** the origin of goods or services. For instance, a contract for foreign-built computers bought from a UK dealer or a UK subsidiary of the manufacturer should be treated as a UK contract.
- j. CPV codes must be used. The relevant code can be obtained from the contract notice or contract award notice used for the procurement in question. Alternatively they can be downloaded from the SIMAP web-site – <http://simap.europa.eu/>. Where a number of codes were used to describe a single or similar items then the single most appropriate code should be used. In such cases the use of a high level code might be more relevant: for example, 15321000-4 Fruit Juices rather than 15321108-8 Concentrated Orange Juice. Where a number of different awards were made as a result of a single contract notice then each award should have its own entry with its relevant CPV code.
- k. Contracting authorities should indicate whether contracts advertised in the Official Journal (OJEU) were awarded under the open, restricted, competitive dialogue, or negotiated procedure. For contracts awarded under the negotiated procedure, **whether advertised in the OJEU or not**, the appropriate justification for the use of that procedure should be given. The text of the possible justifications set out in the regulations is reproduced at Annex A.
- l. Contracts that are below the threshold should be included in the detailed returns where they have been advertised because of the aggregation rules. This applies where they are part of a series of contracts for goods of the same type which, in aggregate, exceed the threshold.

## List of abbreviations

<b>CPC</b>	Central Products Classification
<b>CPV</b>	Common Procurement Vocabulary
<b>DCSF</b>	Department for Children, Schools and Families
<b>EC</b>	European Community
<b>EU</b>	European Union
<b>HEFCE</b>	Higher Education Funding Council for England
<b>OGC</b>	Office of Government Commerce
<b>OJEU</b>	Official Journal of the European Union

## Annex A

### Justifications for use of the negotiated procedure

Contracting authorities should indicate in their return the justification for non-advertisement of a contract by reference to the appropriate letter (A - O) which relate to the specific provisions shown below, taken from Regulations 13 and 14 of the Public Contracts Regulations.

#### Part 1

##### Use of the negotiated procedure with prior publication of a contract notice

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- A** 13. A contracting authority may use the negotiated procedure with the prior publication of a contract notice in accordance with Regulation 17 (3) in the following circumstances -
- (a) Subject to regulation 14(1)(a)(i), in the event that the procedure leading to the award of a contract by the contracting authority using the open procedure, the restricted procedure or the competitive dialogue procedure was discontinued because of -
    - (i) Irregular tenders; or
    - (ii) Unacceptable tenders following an evaluation made in accordance with regulation 15(11) or 16(7);
- but only if the original terms of the proposed contract offered in the discounted procedure have not been substantially altered in the negotiated procedure;
- 
- B** (b) exceptionally, when the nature of the work or works to be carried out, the goods to be purchased or hired or the services to be provided under the contract or the rules attaching to them are such as not to permit prior overall pricing;
- 
- C** (c) in the case of a public services contract, when the nature of the services to be provided, in particular in the case of services specified in category 6 of Part A of Schedule 3 and intellectual services, such as services involving the design of work or works, is such that specifications cannot be established with sufficient precision to permit the award of the contract using the open procedure or the restricted procedure; or
- 
- D** (d) in the case of a public works contract, when the work or works are to be carried out under the contract solely for the purpose of research, testing or development but not with the aim of ensuring profitability or to recover research and development costs.
-

## **Part 2**

### **Use of the negotiated procedure without prior publication of a contract notice**

14. - (1) A contracting authority may use the negotiated procedure without the prior publication of a contract notice in accordance with regulation 17(3) in the following circumstances -

- E** (a) In the case of a public contract -
- (i) When a contracting authority is using the negotiated procedure in accordance with regulation 13(a) and invites to negotiate the contract every economic operator which submitted a tender following an invitation made during the course of the discontinued open procedure or restricted procedure (not being a tender which was excluded in accordance with regulation 15(11) or 16(7));
- 
- F** (ii) Subject to paragraph (2), in the absence of tenders, suitable tenders or applications in response to an invitation to tender by the contracting authority using the open procedure or the restricted procedure but only if the original terms of the proposed contract offered in the discontinued procedure have not been substantially altered in the negotiated procedure;
- 
- G** (iii) When, for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, the public contract may be awarded only to a particular economic operator;
- 
- H** (iv) When (but only if it is strictly necessary) for reasons of extreme urgency brought about by events unforeseeable by, and not attributable to, the contracting authority, the time limits specified in -
- (aa) regulation 15 for the open procedure;
  - (bb) regulation 16 for the restricted procedure; or
  - (cc) regulation 17 for the negotiated procedure;
- cannot be met;
-

<b>I</b> (supplies only)	(b) In the case of a public supply contract -  (i) When the goods to be purchased or hired under the contract are to be manufactured solely for the purpose of research, experiment, study or development but not when the goods are to be purchased or hired with the aim of ensuring profitability or to recover research and development costs;
<b>J</b> (supplies only)	(ii) Subject to paragraph (3), when the goods to be purchased or hired under the contract are required by the contracting authority as a partial replacement for, or in addition to, existing goods or an installation and when to obtain the goods from a supplier other than the supplier which supplied the existing goods or the installation would oblige the contracting authority to acquire goods having different technical characteristics which would result in -  (aa) incompatibility between the existing goods or the installation and the goods to be purchased or hired under the contract; or  (bb) disproportionate technical difficulties in the operation and maintenance of the existing goods or the installation;
<b>K</b> (supplies only)	(iii) For the purchase or hire of goods quoted and purchased on a commodity market;
<b>L</b> (supplies only)	(iv) To take advantage of particularly advantageous terms for the purchase of goods in a closing down sale or in a sale brought about because a supplier is subject to a procedure referred to in regulation 23(4)(a), (b) or (c);
<b>M</b> (services only)	(c) In the case of a public services contract, when the rules of a design contest require the contract to be awarded to the successful contestant or to one of the successful contestants, provided that all successful contestants are invited to negotiate the contract;

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**N** (d) In the case of a public works contract or a public services contract -  
(works or  
services  
only)

(i) Subject to paragraph (4), when a contracting authority wants an economic operator which has entered into a public works contract or a public services contract with the contracting authority to carry out additional work or works or provide additional services which were not included in the project initially considered or in the original public works contract or public services contract but which through unforeseen circumstances have become necessary, and such work, works or services -

(aa) cannot for technical or economic reasons be carried out or provided separately from those under the original contract without major inconvenience to the contracting authority; or

(bb) can be carried out or provided separately from those under the original contract but are strictly necessary to the later stages of the performance of that contract; and

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**O** (ii) Subject to paragraph (5), when a contracting authority wants  
(works or  
services  
only) an economic operator which has entered into a public works contract or a public services contract with that contracting authority to carry out new work or works or provide new services which are a repetition of the work or works carried out or the services provided under the original contract and which are in accordance with the project for the purpose of which the first contract was entered into.

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## Annex B

### Part A (priority) service categories

Category	Services
1.	Maintenance and repair of equipment, including vehicles, ships and aircraft
2.	Transport by land, including armoured car services and courier services but not including transport of mail and transport by rail
3.	Transport, by air but not transport of mail
4.	Transport of mail by land, other than by rail, and by air
5.	Telecommunications services
6.	Financial services (a) Insurance services (b) Banking & investment services other than financial services in connection with the issue, sale, purchase or transfer of securities or other financial instrument, and central bank services
7.	Computer and related services
8.	R&D services where the benefits accrue exclusively to the contracting authority for its use in the conduct of its own affairs and the services are to be wholly paid for by the contracting authority
9.	Accounting, auditing and bookkeeping services
10.	Market research and public opinion polling services
11.	Management consultancy services and related services, but not arbitration and conciliation services
12.	Architectural services: engineering services and integrated engineering services: urban planning and landscape architectural services: related scientific and technical consulting services: technical testing and analysis services
13.	Advertising services
14.	Building-cleaning services and property management services
15.	Publishing and printing services on a fee or contract basis
16.	Sewerage and refuse disposal services: sanitation and similar services

A more detailed listing, including appropriate CPV codes, is included in Schedule 3 of the Regulations: [www.opsi.gov.uk/si/si2006/uksi\\_20060005\\_en.pdf](http://www.opsi.gov.uk/si/si2006/uksi_20060005_en.pdf)

## Annex C

### Guidance on completing the survey form

Nationality	This must be the nationality of the supplier etc – <b>not</b> the product. See below for commonly used nationality codes
Supply Work Service	Insert one of these descriptors (i.e. 'Supply', 'Work', or 'Service') for each contract as appropriate  For service contracts information is required for Categories 1–16 only – Part A services (see Annex B)
Code	One full CPV code to be used for each award (see Paragraph 20(j) of the main document). Take the code from the OJEU contract notice/award notice, or from the SIMAP website - <a href="http://simap.europa.eu">http://simap.europa.eu</a> .
Open (O) Restricted (R) Competitive Dialogue (C) Negotiated (N)	Insert O, R, C or N for each contract as appropriate
Negotiated justification	See Annex A. Insert letter (A - O) as appropriate here.
Framework	If this is a framework, please insert the letter 'F'. Please note that call-offs from frameworks should <b>not</b> be reported.
Total contract value	Please put actual or estimated total value. Do <b>not</b> put in £x per annum.
Some nationality codes	
Belgium	> BE
France	> FR
Germany	> DE
Ireland	> IE
Italy	> IT
Japan	> JP
Netherlands	> NL
Spain	> ES
United Kingdom	> UK
United States	> US

A full list can be obtained on the web at:

[http://simap.europa.eu/Countries/26033353-02aa-3837-aeb8e384bb15f3c5\\_en.html](http://simap.europa.eu/Countries/26033353-02aa-3837-aeb8e384bb15f3c5_en.html)