

Community Led Local Development

Guidance Note: Procurement

What is it and why is it important?





CLLD Procurement

Introduction

When you purchase items using European funds you have to follow processes set out by the funders. You will also have to evidence that everything that you buy for the project (be it goods, services or works) has been purchased in a transparent and fair way and provides value for money.

Procurement is a very complex area and auditors always check procurement records in great detail. Any errors will result in financial penalties, these are usually between 5% and 25% of the grant value in relation to the purchases in question, however in some cases they can be up to 100%.

What do I need to do?

The requirements, depending on the value of the purchase, are set out below:

Value	What to do?	Advertising?
£0 - £25,000	Direct award	None
£25,000 - £200,000 (services) and £4.5m (works)	The advert needs to incorporate or direct any interested party to the following information: <ul style="list-style-type: none"> • Details of the opportunity • What is required from all interested parties • How successful candidate will be chosen • Deadline and details of how to apply Justification will also be required to demonstrate that the contract award is in line with the advert	Advertise the opportunity on the grant recipients/ or other appropriate website for 10 days.
£25,000 - £200,000 (supplies)	3 written quotes or prices sought from relevant suppliers against a clear specification Justification that a reasonable decision has been made on the basis of the quotes/prices	None
Over £200,000 (services and supplies) and £4.5m (works).	The advert needs to incorporate or direct any interested party to the following information: <ul style="list-style-type: none"> • Details of the opportunity 	Advertise the opportunity on the grant recipients/ or other appropriate website for 10 days.



	<ul style="list-style-type: none"> • What is required from all interested parties • How successful candidate will be chosen • Deadline and details of how to apply Adhere to the Guidance on Identifying, Managing and Monitoring Conflicts of Interest within ERDF and ESF, and submit a declaration to MHCLG or DWP; Impartially assess each bid against the same criteria and demonstrate this through use of a score/evaluation sheet; and Provide evidence to demonstrate that the winning bidder has been selected on merit – as a minimum this should include a rationale behind the decision to award 	
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**thresholds relevant for the period 1 January 2018 – 31 December 2019. They are updated every two years.*

All these values are net of VAT.

You cannot artificially divide your purchases to lower their individual value. E.g. if you are planning 5 training sessions and would like to find a catering company to provide lunch for participants, you should estimate your catering costs based on 5 sessions and not just 1.

If you are estimating that the value of your purchase may be very close to one of the thresholds listed above, we recommend that you use the more rigorous procedure.

If you are going to carry out a formal tender, we recommend that you contact us for further guidance and support and that the procurement is carried out by staff experienced in this area.



What do I need to do next?

Procurement can be a complex subject and you may well need more advice than this guidance note alone can provide. If this is the case, get in touch with your local facilitator who will be able to help you.

The official stuff

You can find more details in:

- ESIF National Procurement Requirements
- Procurement Aide Memoire for Applicants and Grant Recipients

Available on the website:

<https://www.gov.uk/government/publications/european-structural-and-investment-fundsprocurement-documents>