



NHS Management Executive
St. Andrew's House
Edinburgh EH1 3DG

17 June 1996

Dear Colleague

THRESHOLDS FOR THE WORLD TRADE ORGANISATION (WTO) AGREEMENT ON GOVERNMENT PROCUREMENT (EC DIRECTIVE 80/767), EC SUPPLIES DIRECTIVE (93/36), EC WORKS DIRECTIVE (93/37) AND EC SERVICES DIRECTIVE (92/50)

Summary

1. This letter is to inform Health Boards, NHS Trusts and other bodies of the revised thresholds for the advertising of contracts as required by the EC Supplies, Works and Services Directives and the WTO (previously referred to as GATT) Agreement on Government Procurement. This letter identifies separate thresholds for Part A and Part B services and supersedes NHS MEL(1996)11.

Action

2. A revised table which identifies the thresholds for Part A and Part B service contracts is attached at Annex A. The categories of the services which fall within Part A and Part B are detailed in Schedule 1 to the Public Services Contracts Regulations 1993. A copy of the schedule is enclosed at Annex B for information.

3. Health bodies, including NHS Trusts, must abide by the requirements of the EC Directives and the WTO agreement. Chief Executives and General Managers will wish to inform their staff accordingly.

Yours sincerely

PAUL WILSON
Director of Trusts

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| COMMON SERVICES AGENCY | |
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| | |

Supersedes NHS MEL(1996)11 dated 7/2/96 which is now cancelled

Addressees

For action:

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General Manager,
Health Boards

General Manager,
Common Services Agency

General Manager, State Hospitals
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EC AND WTO PUBLIC PROCUREMENT THRESHOLDS

The national currency equivalents of the Supplies, Services and Works Directives and the WTO (previously referred to as GATT) Agreement on Government Procurement have been revised with effect from 1 January 1996. The revised rates are as follows:

Supplies Contracts

| | <u>To 31.12.95</u> | <u>From 1.1.96</u> |
|--------------------|--------------------|--------------------|
| Contracts | £ 96,403 | £108,667 |
| Indicative Notices | £561,480 | £592,568 |

Works Contracts

| | <u>To 31.12.95</u> | <u>From 1.1.96</u> |
|-----------------------------|--------------------|--------------------|
| All Contracting Authorities | £3,743,203 | £3,950,456 |
| Small Lots Provision | £748,641 | £790,091 |

Services Contracts

| | <u>To 31.12.95</u> | <u>From 1.1.96</u> |
|--------------------------------|--------------------|--------------------|
| Part A Services other than R&D | N/A | £108,667 |
| Part B Services and R&D | £149,728 | £158,018 |
| Small Lots Provision | £ 59,891 | £63,207 |
| Indicative Notices | £561,480 | £592,568 |

(Note: Health Boards, NHS Trusts, CSA Divisions and other NHS bodies are all WTO entities)

CATEGORIES OF SERVICES

PART A

| Category | Services | CPC(a) Reference |
|----------|--|------------------------------------|
| 1. | Maintenance and repair of vehicles and equipment | 6112, 6122, 633, 886 |
| 2. | Transport by land, including armoured car services and courier services but not including transport of mail and transport by rail | 712 (except 71235), 7512, 87304 |
| 3. | Transport by air but not transport of mail | 73 (except 7321) |
| 4. | Transport of mail by land, other than by rail, and by air | 71235, 7321 |
| 5. | Telecommunications services other than voice telephony, telex, radiotelephony paging and satellite services | 752 |
| 6. | Financial services | 81 (Part) 812, 814 |
| | (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 instruments, and central bank services | |
| 7. | Computer and related services | 84 |
| 8. | R&D services where the benefits accrue exclusively to the contracting authority for its use in the conduct of its own affairs the services are wholly paid for by the contracting authority | 85 |
| 9. | Accounting, auditing and book-keeping services | 862 |
| 10. | Market research and public opinion polling services | 864 |
| 11. | Management consultancy services and related services, but not arbitration and conciliation services | 867 |
| 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 | 867 |
| 13. | Advertising services | 871 |
| 14. | Building-cleaning services and property management services | 874 82201 to 82206 |
| 15. | Publishing and printing services on a fcc or contract basis | 88442 |
| 16. | Sewerage and refuse disposal service: sanitation and similar services | 94 |

PART B

| Category | Services | CPC Reference |
|----------|---|-----------------------|
| 17. | Hotel and restaurant services | 64 |
| 18. | Transport by rail | 711 |
| 19. | Transport by water | 72 |
| 20. | Supporting and auxiliary transport services | 74 |
| 21. | Legal services | 861 |
| 22. | Personnel placement and supply services | 872 |
| 23. | Investigation and security services, other than armoured car services | 873 (except 87304) |
| 24. | Education and vocational education services | 92 |
| 25. | Health and social services | 93 |
| 26. | Recreational, cultural and sporting services | 96 |
| 27. | Other services | |

(a) CPC stands for the Central Product Classification of the United Nations.