

Information Further to Ministerial Answers

**Information further to the OAQ21695, issued by Carwyn Jones,
the Business Minister, on 6 November 2002**

To Kirsty Williams:

I refer you to the Plenary record of 6 November, where you raised the following question:

‘Will you consider making it a requirement on the Assembly and its sponsored public bodies to produce a local procurement document each year so that we can examine the levels of local procurement?’

I responded:

‘That is an interesting suggestion. If I remember correctly, it is possible for local authorities, ASPBs and the Assembly to avoid European procurement rules if the value of the contract is below £5,000. That has been known for some months. It is not a tremendous amount of money, but other European countries, although not avoiding the procurement rules, deal with several small contracts. For example, an education authority might have a separate contract for the supply of potatoes, cauliflower, meat and so on. That is how they get around the European procurement rules. This is being taken up by the Deputy First Minister and Minister for Rural Development and Wales Abroad. I think it is an interesting suggestion.’

I believe that my answer could give the impression that local authorities can circumvent European Commission procurement regulations by disaggregating their contracts into smaller contracts. This was not my intention.

The procurement of food, to which I referred, is covered by European public procurement regulations. It is likely that the amount of money spent on food procurement by any authority will exceed the European Commission’s threshold, which is currently £100,410 for the Assembly and £154,477 for some of our Assembly sponsored public bodies and local authorities.

The regulations are clear that no contract can be split up with the intention of avoiding application of the regulations, as may have been construed in my earlier answer. However, when putting food requirements out to tender, local authorities can split their requirement into a number of small lots to encourage local suppliers to bid. Additionally, specifications can be written to encourage local suppliers to bid by stipulating a need for some organic and fresh produce.

You may also be aware of the two pilot projects looking into ways of strengthening local Welsh food supply to the public sector. The first pilot will look at catering contracts in the public sector and examine the cost and legal implications of encouraging the use of local produce. This project will be driven forward by the Welsh procurement initiative team. The second pilot, led by the Welsh Development Agency, will look at supply chain management, with the aim of increasing the proportion of Welsh raw ingredients supplied to public sector authorities.

The results of the two pilots will inform the levels of local procurement currently being used, and how we take forward the use of local supplies in future.