

# **SMALL BUSINESS, ENTERPRISE AND EMPLOYMENT ACT 2015**

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## **EXPLANATORY NOTES**

### **BACKGROUND AND SUMMARY**

#### **Part 3: Public Sector Procurement**

56. Public procurement is regulated by a number of EU Directives, including Directive 2014/24/EU. The [Public Contracts Regulations 2015 \(S.I. 2005/102\)](#) which implement the provisions of Directive 2014/24/EU, came into force on 26 February 2015. These regulations also include provisions to implement the initial set of procurement reforms recommended by Lord Young of Graffham:
- Abolishing Pre-Qualification Questionnaires (PQQs) for most contracts below the EU financial threshold, and introducing a standardised PQQ to be used for contracts above the EU threshold (where a PQQ is needed);
  - introducing a requirement that contracting authorities must pay suppliers within 30 days of receipt of a valid, undisputed invoice, requiring contracting authorities to include terms in their contracts passing the benefits of prompt payment down their supply chain, and requiring contracting authorities to report on late payment of invoices; and
  - mandating that most contract opportunities are accessible on the Contracts Finder website and that contract award notices are published on that site.
57. [Part 3](#) of the Act contains a regulation-making power which will allow Government to implement further measures relating to public procurement in the future. Government may use the power to make regulations which require procuring authorities to run an efficient and timely procurement process, accept electronic invoices and make available, free of charge, information or documents necessary for any potential supplier to apply for a contract. [Part 3](#) also contains a provision to put the Cabinet Office Mystery Shopper scheme on a statutory footing. The scheme is currently an informal service investigating examples of poor practice in public sector procurement highlighted by suppliers, and conducting spot-checks.