

Mark Drakeford AS/MS
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language



Llywodraeth Cymru
Welsh Government

Mark Isherwood MS
Chair of the Public Accounts and Public
Administration Committee
Welsh Parliament
Cardiff Bay, Cardiff
CF99 1SN

16 October 2024

Dear Mark,

Thank you for your letter of 27 September 2024 in relation to the collaborative procurement framework for electric vehicles.

You reference the Welsh Government's Welsh Procurement Policy Note 07/21 which aims to promote SME-friendly procurement within the Welsh public sector. WPPN 07/21 specifies that the Welsh public sector should not ask for more than two years audited accounts, and accept alternative information from newer businesses, through their procurement activities. This is in line with the UK Government's procurement policy and published guidance and is standard practice across public sector procurement. The UK Government's PPN 03/24 provides statutory guidance on the Standard Selection Questionnaire (SQ) that forms the basis of all Welsh Government's procurements to test bidders' suitability to perform a contract. Within PPN 03/24, the standard question to test bidders' economic and financial standing requires evidence in the form of two years of accounts or alternative information if unavailable.

PPN 03/24 also stipulates the mandatory and discretionary exclusion criteria that bidders are tested against when procuring authorities undertake their qualification analysis and due diligence. Bidders are required to respond to these mandatory and discretionary exclusion criteria on behalf of the organisation and all relevant persons and entities, in accordance with the Public Contracts Regulations (PCR) 2015 regulation 57(2). This ensures that company directors and executive board members are reviewed in addition to any entities or persons that have powers of representation, decision or control in the supplier. Whilst a bidder does not have to provide a definitive list of entities or persons that their declarations include, they must ensure that their declarations are truthful in respect of all those that are covered by the regulation.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The mandatory and discretionary exclusion criteria cover a range of financial factors that are considered in relation to the bidding organisation and their relevant persons and entities. These include, but are not limited to, bankruptcy or subject of insolvency; payment of taxes; financial criminal convictions; and past contractual performance. Welsh Government implement this process on all procurements over £25k.

Moving forward, the Procurement Act 2023 will come into force on 24 February 2025 which changes how Welsh Government and the public sector procures. The Act creates a new debarment regime to place suppliers on a published debarment list, which must be taken into account for all covered procurements. The debarments process covers both the bidding organisation and any associated persons and tests their suitability to be awarded contracts under a broader supplier exclusions regime than the current PCR (2015).

Yours sincerely,

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive, slightly slanted style.

Mark Drakeford AS/MS

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