



Northern Ireland
Executive

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Public Procurement Policy Statement

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Definition of Terminology

In the preparation of this policy, the term contractor/supplier has been used to denote an organisation that contracts directly with a Department, whether it is a supplier, a service provider or a works contractor.

The term Department has been used to refer to those bodies subject to Public Procurement Policy including Departments, Non-Departmental Public Bodies and Public Corporations. A full list of such bodies is available at:

[List of public bodies to which NI public procurement policy applies | Department of Finance](#)

Revision History

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Foreword



Minister of Finance

Public procurement plays an integral role in the delivery of the Executive's Programme for Government ambitions of improved wellbeing, long-term sustainability, and a thriving economy.

We must maximise public spending to promote economic growth for all businesses, the third sector; and ensure spending decisions support the three pillars of Green Growth (climate, environment and the green economy).

To achieve this ambition, the public sector must:

- have an efficient and effective procurement function with appropriately skilled teams;
- ensure government contracts are accessible to all businesses and third sector partners;
- embed social, economic and environment considerations into specifications and tender evaluation models; and
- be transparent about how we are spending public money.

This Public Procurement Policy Statement details the key principles underpinning procurement decisions and outlines the strategic objectives, ambitions and targets which will drive significant change in how public procurement operates here.

Our economy is built on small and micro businesses. This Policy Statement empowers the public sector to be innovative and engage with sectors and industry representatives to make sure procurement practices are proportionate, open and fair.

These commitments will require continued collaborative working and a coordinated approach across Centres of Procurement Expertise, departments and the wider public sector.

I am confident by working together we will deliver positive change and maximise the best possible outcomes for all citizens.

John O'Dowd MLA
Finance Minister

A handwritten signature in black ink, appearing to be 'J. O'Dowd'.

1. INTRODUCTION

- 1.1** This Public Procurement Policy Statement¹ outlines the Executive's Procurement Policy and Strategy to ensure public procurement is delivered efficiently and leveraged to support people, planet and prosperity in line with the Programme for Government.
- 1.2** The Policy Statement replaces the 2002 Northern Ireland Public Procurement Policy document (v11) and sets the strategic priorities for public procurement to ensure public spend is used to;
- create sustainable jobs, skills and businesses;
 - support the three pillars of Green Growth (i.e. climate, environment and the green economy);
 - stimulate innovation; and
 - ensure supply chains are resilient and ethical.
- 1.3** The Ethical Procurement Policy is guided by International best practice set out in the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, and the Global Sullivan Principles (1999).
- 1.4** The Policy Statement defines 'Procurement' in its broadest sense which includes the commissioning, tendering and contract management phases. It also defines Best Value for Money as the most advantageous combination of cost, quality and Social Value to achieve the required outcome. In this context, cost means consideration of the whole life cost; quality means meeting a specification which is fit for purpose and sufficient to achieve the required outcome; and Social Value means economic, environmental and social benefits in support of the Programme for Government.
- 1.5** Nothing in the Policy Statement should conflict with public procurement legislation or Managing Public Money NI.

¹The Policy Statement does not apply to contracts or transactions listed in Annex A of Dear Accounting Officer Letter 06/22.

2. PRINCIPLES

- 2.1** Public procurement is a key strategic function within Government. In addition to ensuring the effective and efficient delivery of public services, public procurement can play a major role in achieving wider policy goals.
- 2.2** The Executive has agreed the following four Public Procurement Principles² to embed the appropriate culture, behaviour and practice and ensure public spend achieves Best Value for Money for citizens;
- I. Accessibility;
 - II. Efficiency and Effectiveness;
 - III. Social Value; and
 - IV. Transparency.
- 2.3** Under each Principle there are a number of mandatory Strategic Objectives. Some Objectives will be applicable to all public spend whilst others will have relevant thresholds or apply at specific stages of the end-to-end procurement lifecycle.
- 2.4** Each Objective is accompanied by a specific Action and Applicability Descriptor to ensure clarity and consistency in the delivery of the Objectives. Each Objective also includes a Transition Timescale for relevant Centres of Procurement Expertise (CoPEs).
- 2.5** These Objectives outline the Executive's Public Procurement Strategy.

3. PRINCIPLE 1: ACCESSIBILITY

Accessibility Objective: Government contracts will be accessible to Small and Medium Sized Enterprises, Micro Businesses and Social Enterprises

- 3.1** It is important that public procurements are visible and easily accessible to suppliers, particularly Social Enterprises (SEs), micro businesses and Small and Medium-sized Enterprises (SMEs). The Strategic Objectives and actions taken to adhere to the Accessibility Principle will create a system where suppliers have confidence that processes and practices are proportionate, fair and non-discriminatory.
- 3.2** Procurement opportunities must be attractive to suppliers, therefore departments must not 'gold plate' contracts with non-essential requirements which cannot easily be met. Processes must be simplified and unnecessary barriers reduced, making it easier for new entrants, such as small businesses and voluntary, charitable and SEs, to compete and win public contracts.
- 3.3** Contracts must be structured to ensure an appropriate share of risk. Risks must also be allocated to the organisation best placed to manage these. Inflation risks should be appropriately managed through relevant contract clauses and should not rest solely with the contractor. Appropriate allocation of risk should be tested during market engagement where appropriate.
- 3.4** The following Strategic Objectives aim to ensure tenders are accessible for SMEs, SEs and Micro Businesses;
- The pre-qualification or selection stage for below threshold works procurement competitions will be simplified and streamlined;
 - Barriers for SMEs, Micro Businesses and SEs will be reduced;
 - Suppliers will be paid on time;
 - The prompt payment of invoices to tier one sub-contractors in works contracts will be monitored.
- 3.5** Details of the Actions, Applicability Descriptors, and Transition Timescales to achieve a coordinated approach to the Strategic Objectives are provided in Annex A.

4. PRINCIPLE 2: EFFICIENCY AND EFFECTIVENESS

Efficiency and Effectiveness Objective: We have a high performing, efficient and effective procurement function.

4.1 The efficiency and effectiveness of the end-to-end procurement lifecycle is critical to the successful delivery of public goods, services and works and achievement of Best Value for Money.

4.2 To maximise efficiency and effectiveness, Departments should consider opportunities to collaborate on the procurement of goods, services and works by using local or National Frameworks (where this does not restrict markets or disadvantage SMEs).

4.3 To ensure the efficient and effective operation of the end-to-end procurement lifecycle, Departments must use appropriately trained and experienced staff to establish and manage their portfolio of projects and contracts.

4.4 To ensure efficiency and effectiveness throughout the procurement lifecycle, Departments must ensure that strong financial management controls are in place. This will allow for appropriate monitoring of expenditure.

4.5 To demonstrate efficiency and effectiveness, CoPEs should carry out a Performance Assessment annually using relevant commercial and procurement operating standards.

4.6 The following Strategic Objectives aim to meet the Efficiency and Effectiveness Principle;

- Performance Metrics will be defined to demonstrate the efficiency and effectiveness of procurement functions;
- The performance of CoPEs will be monitored and reports will be provided to the relevant oversight body to demonstrate effectiveness and efficiency;
- Metrics to monitor the performance of Major Capital Projects (over £20m) will be developed and regular progress reports will be provided to the Northern Ireland Civil Service (NICS) Board;
- Capacity and capability in the procurement function will be improved; and
- Strong financial controls will be in place to safeguard public money with regard to contract expenditure.

4.7 Details of the Actions, Applicability Descriptors, and Transition Timescales to achieve a coordinated approach to the Strategic Objectives are provided in Annex A.

5. PRINCIPLE 3: SOCIAL VALUE

Social Value Objective: We will maximise social, economic and environmental outcomes through procurement spend and grant funding.

5.1 Public procurement should be leveraged to support Programme for Government outcomes. Social Value includes environmental, economic and societal objectives.

5.2 The Executive delivers Social Value through a number of Procurement Policy Notes (PPNs) including;

- **PPN 01/21** – Social Value in Procurement which outlines the requirements to incorporate Social Value in procurements under the four themes listed below and requires contractor staff to be paid the Real Living Wage for relevant contracts:
 - Increasing secure employment and skills;
 - Building ethical and resilient supply-chains;
 - Delivering Climate Action; and
 - Promoting Wellbeing.

The Policy in relation to ethical and resilient supply-chains will be guided by International best practice set out in the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, and the Global Sullivan Principles (1999).

- **PPN 02/21** – Procurement of Social and Other Specific Services which outlines the requirements for departments to ensure that due regard is given to the arrangements for procuring these services to ensure they deliver the best Social Value. PPN 02/21 also requires departments to establish if these services would be better suited to grant funding as opposed to a procurement competition;
- **PPN 03/21** – Supply Chain Resilience which requires departments to carry out supply chain modelling to develop sourcing strategies aimed at shortening supply chains and managing supply chain risks. PPN 03/21 also highlights that supply chain monitoring can be used to identify potential Human Rights and Modern Slavery or Ethical Supply Chain risks;
- **PPN 05/21** – Human Rights in Public Procurement which mandates actions that departments must take to incorporate Human Rights considerations into contracts when conducting a procurement process.

5.3 In addition to delivering Social Value through existing Procurement Policy Notes, the following Strategic Objectives aim to meet the Social Value Principle;

- Social Value is an integral part of the procurement strategy;
- Market engagement, where appropriate, will be carried out, to ensure Social Value requirements do not negatively impact on SMEs, Micro Businesses or SEs;
- Contracts will be reserved, where appropriate, where the capacity and capability exists in the SE Sector;
- Grant funding will be used, where appropriate, to commission community or social services, where this is permissible and will achieve the best outcome;
- Engagement will be undertaken, where appropriate, with the community on relevant works projects; and
- Where appropriate, the impact on Climate and the Environment will be reduced and consideration will be given to Green Jobs.

5.4 Details of the Actions, Applicability Descriptors, and Transition Timescales to achieve a coordinated approach to the Strategic Objectives are provided in Annex A.

6. PRINCIPLE 4: TRANSPARENCY

Transparency Objective: We will be transparent about our pipeline of procurement opportunities; how public money is being spent and how we are meeting the Executive's procurement policy requirements.

6.1 Transparency at all stages of the public procurement process provides confidence that public money is being used efficiently and effectively and appropriate safeguards are in place to prevent fraud, corruption and collusion, for example;

- Ensuring visibility of procurement opportunities helps businesses to plan ahead more effectively; to identify other private sector partners with which to form consortia, and to identify supply chain opportunities; and
- Increased transparency on contracts awarded without competition or contract amendments creates a higher level of scrutiny to continuously demonstrate the integrity and robustness of the procurement system.

6.2 The following Strategic Objectives aim to improve the visibility of procurement activities and public spend and thereby meet the Transparency Principle;

- There will be visibility of the pipeline of procurement opportunities over an 18 month horizon;
- There will be transparency of public procurement activity and how this relates to local suppliers, SMEs, Micro Businesses and SEs;
- There will be visibility of where contracts have been awarded without competition (i.e. Direct Award Contracts);
- There will be transparency of any variances between the original contract value and actual spend;
- There will be transparency on how CoPEs are complying with the monitoring arrangements in the Executive's Procurement Policy Notes; and
- There will be transparency of prompt payments to suppliers.

6.3 Details of the Actions, Applicability Descriptors, and Transition Timescales to achieve a coordinated approach to the Strategic Objectives are provided in Annex A.

7. MONITORING AND REPORTING

7.1 Monitoring the performance of the procurement function is essential to give citizens confidence that public funds are being managed appropriately.

7.2 Reporting arrangements for the Strategic Objectives are attached at Annex A.

8. GOVERNANCE ARRANGEMENTS

8.1 A review will be carried out by 31 December 2025 to identify the optimal oversight and governance arrangements going forward to ensure the objectives outlined in this Public Procurement Policy Statement are delivered. Interim Governance Arrangements will be in place until this review is completed.

9. PROCUREMENT REVIEW SERVICE

9.1 It is important that government suppliers or potential suppliers can raise issues where they believe that a Department or CoPE has not complied with the Public Procurement Policy Statement.

9.2 A Procurement Review Service (PRS) will be established within 24 months to allow suppliers to raise issues which cannot be resolved through the relevant CoPEs or Departments formal complaint procedures.

10. FURTHER INFORMATION

10.1 Any queries on this PPN should be addressed to:

Procurement Policy Branch
Construction & Procurement Delivery
2nd Floor West
Clare House
303 Airport Road West
Belfast, BT3 9ED
Phone: 028 9081 6233
Email: procure.policy@finance-ni.gov.uk

ANNEX A – PUBLIC PROCUREMENT STRATEGY

Accessibility Principle (AP)

Strategic Objective: Government contracts will be accessible to Small and Medium Sized Enterprises (SMEs), Micro Businesses and Social Enterprises (SEs)

No.	Objective	Action	Applicability Descriptor	Transition Timescale
AP1	The pre-qualification or selection stage for below threshold works procurement competitions will be simplified and streamlined	The pre-qualification or selection stage of procurement competitions for works projects below the UK threshold will be streamlined to reduce the need for suppliers to provide the same information on a regular basis. Financial assessments will be proportionate to the value and risk associated with the delivery of the contract	This applies to procurement competitions above the Procurement Control Limits for advertising	Within 9 months of publication of the Public Procurement Policy Statement (PPPS)
AP2	Barriers for SMEs, Micro Businesses and SEs will be reduced	Departments, or their respective CoPEs, must consider potential barriers for SMEs when structuring their procurement strategies. Cashflow is also a key consideration for SMEs. Contracts must be structured to ensure appropriate cash flow in return for tangible benefits	This applies to all contracts	In accordance with the Procurement Act 2023 (as amended)
AP3	Suppliers will be paid on time	Suppliers/Contractors must be paid promptly and within the maximum period of 30 days from receipt of an invoice in compliance with the Procurement Act 2023	This applies to all contracts	In accordance with the Procurement Act 2023 (as amended)
AP4	The prompt payment of invoices to tier one sub-contractors in works contracts will be monitored	Monitoring arrangements must be in place for works contracts over the UK Threshold to ensure visibility of prompt payment to tier one sub-contractors	This applies to works contracts over the UK Threshold	Within 12 months of the publication of the PPPS

Efficiency and Effectiveness Principle (EP)

Strategic Objective – We have a high performing , efficient and effective procurement function.

No.	Objective	Action	Applicability Descriptor	Transition Timescale
EP1	Performance Metrics will be defined to demonstrate the efficiency and effectiveness of procurement functions	Appropriate metrics for measuring the performance of CoPEs will be agreed and published on the DoF Website by 30 September 2025	N/A	Within 6 months of the publication of the PPPS
EP2	The performance of CoPEs will be monitored and reports will be provided to the relevant oversight body to demonstrate effectiveness and efficiency of the procurement function	Proportionate arrangements will be established to ensure the consistent recording of performance information needed to report against the agreed performance metrics	This applies to all CoPEs	Within 20 months of the agreement of the performance metrics in EP1
EP3	Metrics to monitor the performance of Major Capital Projects (over £20m) will be developed and regular progress reports will be provided to the NICS Board	Departments must monitor progress on Major Capital Projects (over £20m) against the timescale and cost outlined in the Final Business Case and provide reports for the NICS Board on a six monthly basis	This applies to projects with a total contracted cost of over £20m	Within 12 months of the publication of the PPPS
EP4	Capacity and capability in the procurement function will be improved	A capacity and capability strategy will be developed to attract and retain the procurement skills required to deliver a high performing procurement function focussed on delivery and achieving Best Value for Money through collaboration and co-operation across CoPEs, where appropriate. Performance metrics for capacity and capability will be developed to monitor improvements	N/A	Within 24 months of the publication of the PPPS
EP5	Strong financial controls will be in place to safeguard public money with regard to contract expenditure	Strong financial controls must be in place to allow contract expenditure and contract expiry dates to be monitored. A contracts register must be maintained by Departments to ensure appropriate monitoring of expenditure is embedded into financial management processes	This applies to all contract expenditure	Within 6 months of the publication of the PPPS

Social Value Principle (SVP)

Strategic Objective – We will maximise social, economic and environmental outcomes through procurement spend and grant funding.

No.	Objective	Action	Applicability Descriptor	Transition Timescale
SVP1	Social value is an integral part of the procurement strategy	Social, environmental and economic objectives must be explicitly referenced in businesses cases and procurement strategies. Procurement Strategies must also be based on an Ethical Procurement Policy guided by International best practice set out in the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, and the Global Sullivan Principles (1999)	Social Value and ethical procurement policy considerations must be applied to all contracts over the UK threshold. The thresholds for scoring Social Value are included in the Procurement Policy Note (PPN) 01/21	With immediate effect
SVP2	Market engagement, where appropriate, will be carried out to ensure Social Value requirements do not negatively impact on SMEs, Micro Businesses or SEs	Departments, or their respective CoPE, must carry out market engagement, where appropriate, to ensure Social Value requirements do not negatively impact on the ability of SMEs, SEs and micro businesses to tender or deliver the contract	This applies to all contracts which fall under the scope of PPN 01/21 – Social Value in Procurement or PPN 02/21 – Procurement of Social and Other Specific Services	With immediate effect
SVP3	Contracts will be reserved, where appropriate, where the capacity and capability exists in the SE Sector	Departments, or their respective CoPE, must consider reserving contracts in areas where the Voluntary Community and SE Sector has capacity and capability	This applies to areas of spend where the SE sector have demonstrated capacity and capability and where best Value for Money can be achieved by contracting exclusively with the SE sector	Within 6 months of the publication of the PPPS
SVP4	Grant funding will be used, where appropriate, to commission community or social services, where this is permissible and will achieve the best outcome	Departments, or their respective CoPE, must consider using grant funding for social, community or health services where capacity and capability exists in the Voluntary, Community and Social Enterprise (VCSE) sectors and where Best Value for Money and social outcomes can be delivered by commissioning with the relevant sectors through grant funding as opposed to procurement spend	This applies to services in the social, community or health sectors above or below the UK threshold	Within 6 months of the publication of the PPPS

No.	Objective	Action	Applicability Descriptor	Transition Timescale
SVP5	Engagement will be undertaken, where appropriate, with the community on relevant works projects	Departments should ensure, where appropriate, effective community engagement occurs at the earliest possible stage in a major works project (i.e. prior to the completion of an outline business case) to ensure impacted communities are consulted on the design and proposed Social Value for the project (e.g. social license workstream)	This applies to works projects with an estimated value over £20m which have the potential to impact on local residents or communities	Within 12 months of the publication of the PPPS
SVP6	Where appropriate the impact on Climate and the Environment will be reduced and consideration will be given to Green Jobs	Departments must develop a Green Growth aligned strategy for all public expenditure and consider green jobs at the earliest possible stage	Climate action, the environment and green jobs are considered in the development of all programmes and projects for which there are public funding implications	Within 12 months of the publication of the PPPS

Transparency Principle (TP)

Strategic Objective – We will be transparent about our pipeline of procurement opportunities; how public money is being spent and how we are meeting the Executive’s procurement policy requirements.

No.	Objective	Action	Applicability Descriptor	Transition Timescale
TP1	There will be visibility of the pipeline of procurement opportunities over an 18 month horizon	Departments, or their respective CoPE, must publish a pipeline of known procurement competitions on their website. The pipeline must include the following information; - Contracting Authority; - Title of the procurement; - A brief description of the contract; and - The estimated date when the tender will be published Additional information may be published to assist suppliers or market to prepare for the tender opportunity	The 18 month pipeline must include details of procurements with an estimated value of £500,000 or over for goods and services and £2m or over for works contracts. The pipeline should be reviewed and updated at least every 6 months	Within 6 months of the publication of the PPPS for all bodies excluding the Department of Health and Health & Social Care NI Bodies which is 20 months following the publication of the PPPS
TP2	There will be transparency of public procurement activity and how this relates to local suppliers, SMEs, Micro Businesses and SEs	By 30 June each year, each CoPE must publish annual statistics to show; - Number of contracts awarded; (The number and value of contracts must be broken down by works; goods and services); - Value of contracts awarded; - Number of contracts awarded to SMEs, Micro Businesses and SEs; - Value of contracts awarded to SMEs, Micro Businesses and SEs; - Number of contracts awarded to suppliers based in NI; and - Value of Contracts awarded to suppliers based in NI	This applies to procurements above the Procurement Control Limits advertising threshold awarded in the previous financial year	Within 6 months of the publication of the PPPS

No.	Objective	Action	Applicability Descriptor	Transition Timescale
TP3	There will be visibility of where contracts have been awarded without competition (i.e. Direct Award Contracts)	Departments, or their respective CoPE, must publish details of contracts awarded without competition (i.e. direct award contracts) except where there are security or other relevant considerations	This applies to Direct Award Contracts above the Procurement Control Limits for advertising as outlined in Procurement Policy Note 04/21	Within 6 months of the publication of the PPPS
TP4	There will be transparency of any variances between the original contract value and actual spend	By 30 June each year, Departments, or their respective CoPE, must publish on their website and update every year details of contract spend against the original contract awarded value	This applies to goods, services and works contracts over the UK Thresholds	Within 12 months of the publication of the PPPS for all bodies excluding the Department of Health and Health & Social Care NI Bodies, Translink and the Education Authority which are 20 months following the publication of the PPPS
TP5	There will be transparency on how CoPEs are complying with the monitoring arrangements in the Executive's Procurement Policy Notes	By 30 June each year, Departments, or their respective CoPE, must report their compliance with the monitoring arrangements for Procurement Policy Notes (PPNs)	This applies to all relevant thresholds outlined in published PPNS ³	Within 6 months of the publication of the PPPS for all bodies excluding the Department of Health and Health & Social Care NI Bodies and Translink which are 20 months following the publication of the PPPS
TP6	There will be transparency of prompt payments to suppliers	At least annually the relevant body (e.g. Department/CoPE) must publish details to demonstrate compliance with prompt payment of Contractor invoices as detailed in Procurement Act 2023 (as amended)	All contract spend	Within 6 months of the publication of the PPPS for all bodies excluding the Department of Health and Health & Social Care NI Bodies and Translink which are 20 months following the publication of the PPPS

³[Procurement Policy Notes \(PPNs\) | Department of Finance](#)

ABBREVIATIONS

CoPEs	Centres of Procurement Expertise
NI	Northern Ireland
NICS	Northern Ireland Civil Service
PPNs	Procurement Policy Notes
PPPS	Public Procurement Policy Statement
PRS	Procurement Review Service
SEs	Social Enterprises
SMEs	Small and Medium Sized Enterprises
VCSE	Voluntary, Community and Social Enterprise

