

BSO

Direct Award Contract (DAC) Guidance

July 2025



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1. Introduction and background

- 1.1. This guidance should be read in conjunction with Procurement Act 2023 and related circulars received from DoH.
- 1.2. In order for a Direct Award Contract (DAC) to be legally compliant it must fall within the set of circumstances defined in Chapter 3 Section 41-43 and Schedule 5 of the Procurement Act 2023 (PA 2023). There may also be circumstances where a DAC would be awarded in the public interest.
- 1.3. DACs involve risk, whether in respect of compliance with legislation or ensuring Value for Money. Therefore, each business area should seek PaLS advice before selecting a DAC as the appropriate procurement route and, if proceeding with a DAC, obtain their independent advice as part of the DAC process and before applying for DAC approval.
- 1.4. If a member of staff is unsure who to contact within PaLS regarding a compliant purchase or the establishment of a procurement category, they should email Purchasingdac@hscni.net who will direct their inquiry to the relevant team.

2. DAC justification

- 2.1. A DAC is a public contract that is awarded without competition, which can be valued above or below relevant UK procurement threshold. A DAC should only be used in particular circumstances, such as the existence of:
 - Sole Source – when the goods or services are only available from one source, e.g. technical reasons or exclusive rights;
 - Specific Product/Service/Supplier – **(also known as the public interest)** when the goods or services can be procured from multiple sources or where alternative products/services exist, but where for specific reasons only particular supplier is to be e.g. good/services to ensure patient safety, or
 - Contract Extension of Term or Scope – either an addition to the contract's scope or extension to its duration or value, which is outside the options originally specified in the contract.

3. DAC thresholds

- 3.1. A DAC is required for procurements over £10,000 where BSO has retained responsibility for its own tendering and quotation process and/or raising of orders, as per Department of Finance Control Limits.



- 3.2. For procurements carried out or influenced by BSO PaLS as the Centre of Procurement Expertise, the minimum DAC threshold is increased to £20,000 – in accordance with BSO Standing Financial Instructions.
- 3.3. In very exceptional circumstances, where Framework agencies are unable to supply an agency worker, managers should document the justification for using an off-Framework agency. They must obtain approval from their Director and PaLS at Purchasingdac@hscni.net and ensure the DAC requirements are adhered to. In such circumstances, the lower threshold is £10,000.
- 3.4. Aggregation principles – each business area must consider the total estimated value of multiple similar below threshold contracts over time. If the same goods and/or services from the same supplier have been procured under separate DACs over a continuous period, this should be treated as one contract for the purposes of the PA 2023.

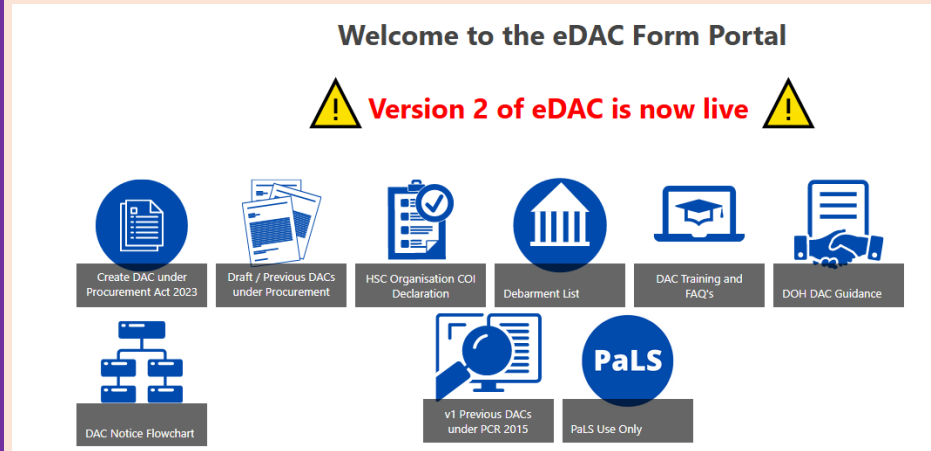
For example, if a contract is awarded for an estimated value of £80,000 in 2022 and then for an estimated value of £70,000 in 2025, these values must be aggregated, resulting in a total estimated spend of £150,000. If the DAC is sole source it will trigger the obligation to publish notices under the PA 2023. Therefore, for purposes of publishing notices, the notice must reflect the aggregated value of £150,000, even when re-awarding the contract in 2025.

4. BSO eDAC submission and approval process.

- 4.1. It is the responsibility of the business area to ensure that the DAC is submitted on a timely basis to allow for advice from BSO PaLS, Director sign off and consideration for approval by Accounting Officer (and Departmental Accounting Officer where necessary) in advance of need and in advance of entering into a contractual commitment.
- 4.2. The eDAC request form must be used on all occasions when seeking DAC approval and must be completed in full.
- 4.3. Summary of steps in the DAC submission process:

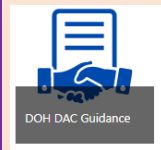
STEP 1

To access the eDAC Form please follow the link [eDAC Form-Home](#)



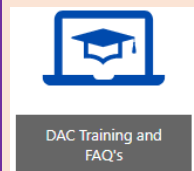
STEP 2

Familiarise yourself with the “[DoH DAC Guidance](#)” by using link or selecting the icon on the portal:



STEP 3

Read [DAC training, FAQs](#) and detailed guidance documents. These are accessible by using link or selecting the icon on the portal:

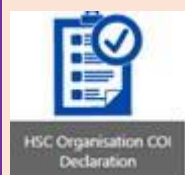


Training must be completed in conjunction with reading and understanding the roles and responsibilities of DAC users prior to the creation of a new DAC.

STEP 4

Ensure that [Conflict of Interest \(COI\) Declaration](#) has been completed and signed.

To access Col Form, follow the link or select the icon on the portal:



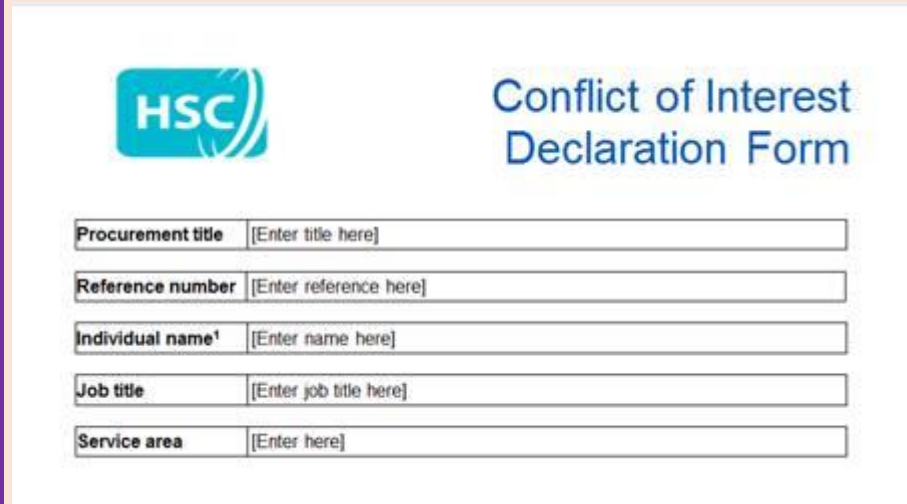
COI

HSC Organisations COI declaration

Please follow your trust's policy and procedures in regard to the form and store within your internal organisations.

[HSC Organisations COI declaration form](#)

Follow a blue link



The screenshot shows the 'Conflict of Interest Declaration Form' with the HSC logo. It contains five input fields:

- Procurement title [Enter title here]
- Reference number [Enter reference here]
- Individual name¹ [Enter name here]
- Job title [Enter job title here]
- Service area [Enter here]

Save the completed form offline to upload it to the eDAC portal as part of step 7.

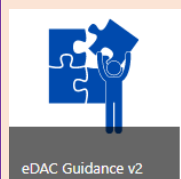
STEP 5

Complete the eDAC form by selecting the "[Create DAC under Procurement Act 2023](#)" icon on the eDAC portal. The individual completing the eDAC are known as the Requesting Officer.




STEP 6

Useful [PaLS guidance](#) can be found by following the link or by selecting the icon:



STEP 7

Attach the completed and signed Conflict of Interest Declaration to the eDAC form at Stage 7.



STEP 8

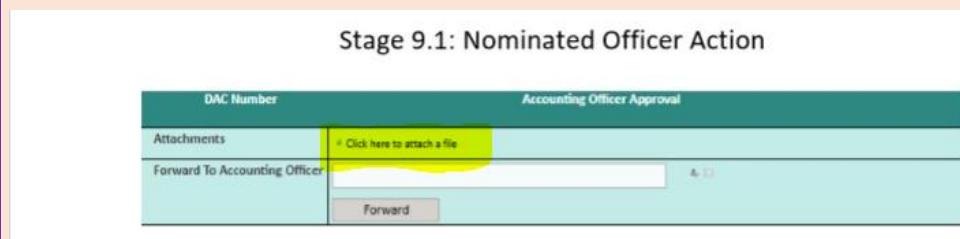
Complete the eDAC Form according to the guidelines and submit it to the BSO PaLS for their independent advice.

STEP 9

Once the advice has been received from PaLS, complete the BSO DAC [Checklist Form](#) and send it offline to your Director for review and approval.

STEP 10

Once the Director has reviewed the eDAC request, they must upload the signed BSO DAC Checklist to the eDAC form in Section 9.1. **The DAC cannot be progressed without completion and inclusion of the checklist.**



Director must complete all required fields in Stage 9.1 and 9.2 (please see below) including the box “Further approval required” and submit the eDAC to the Chief Executive for final approval.

Optionally, approval of DACs with green or green – conditional RAG rating can be delegated to the Director of Finance.

Stage 9.1: Nominated Officer Action

DAC Number	Accounting Officer Approval
Attachments	Click here to attach a file
Forward To Accounting Officer	<input type="text"/> & <input type="button" value="Forward"/>
Accounting Officer Email Address	<input type="text"/> & <input type="button" value="Forward"/>
Designation	<input type="text"/>
Is DAC value > 30k?	<input type="text"/>
Declaration	<p>I hereby declare that I do not have an external personal or monetary interest in the company which this DAC will be awarded (applicable only in respect of option (a) above). I have read 102/21.DAO (DoF) 06/22, related DoH Guidance HSC (F) 05/12 and the advice above provided by PaLS.</p> <p><input type="checkbox"/> Tick the box to accept</p>
Is DAC value > 30k?	<p>Yes <input type="text"/></p> <p>Publication COPE Website Notification of this award requires publication on the CoPE website. Accordingly, confirm the reason for the DAC <input type="text"/></p>
Accounting Officer Decision	Authorise the following Action <input type="text"/>
Accounting Officer Decision Date	Enter the date the decision was made (e.g. dd/mm/yyyy) <input type="text"/>
Further approval required?	<input checked="" type="checkbox"/>

STEP 11

DACs with RAG rating RED and over £1m require DoH approval.

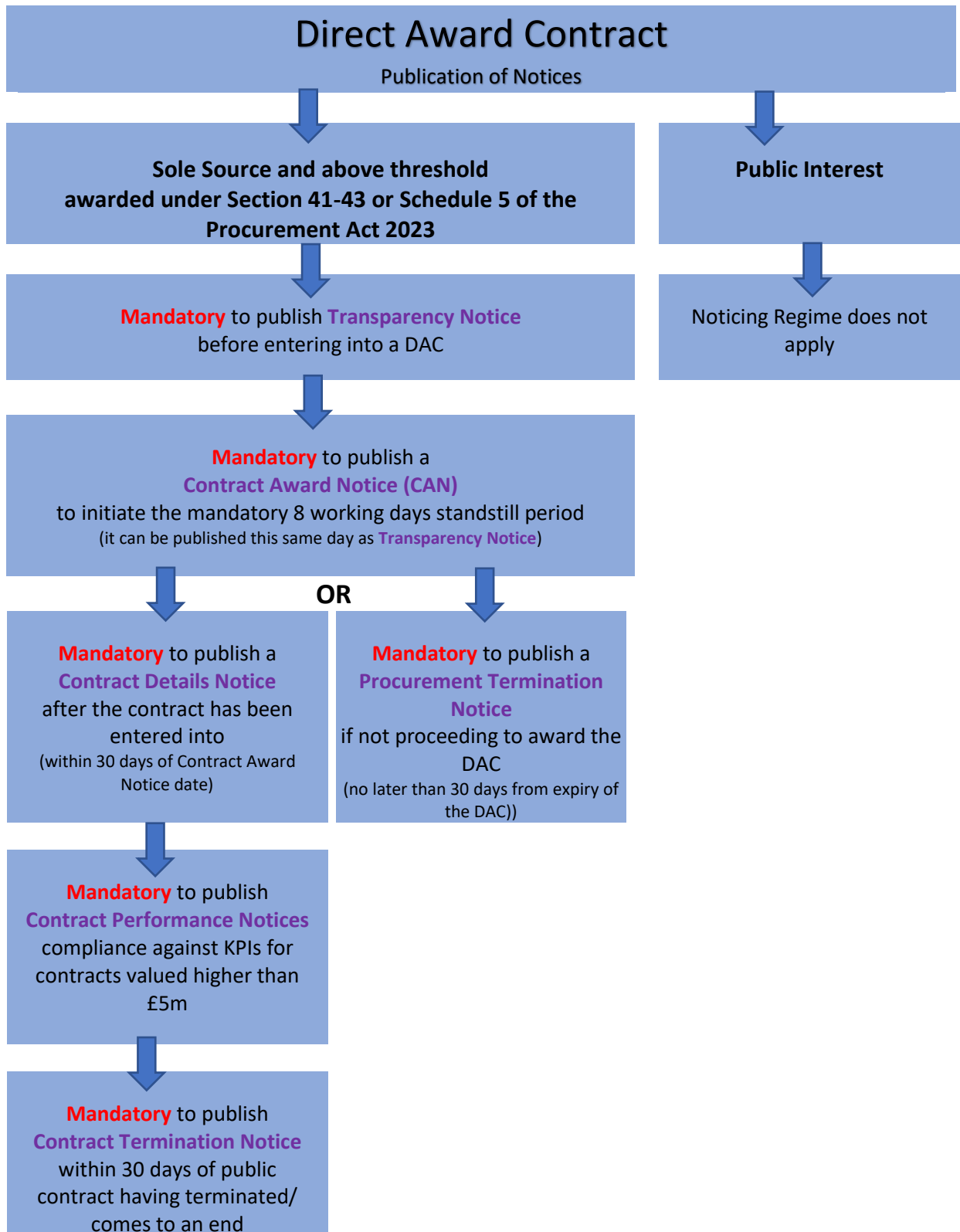
4.4 In circumstances where a DAC expires based on either duration or value and the product/service is still required, a further DAC must be submitted for approval in advance of the expiry and entering into a new contract. Estimated value of the new contract must consider aggregation requirement, as explained in section 3.4

4.5 PaLS eDAC flowchart, summarising the decision-making process and course of action required when proceeding with a DAC, can be accessed [here](#).



5. Publication of notices

- 5.1. DACs classified as public interest are exempt from publication of noticing. Please refer to DAC publication of notices requirements workflow [here](#).
- 5.2. If the DAC is the Sole Source and above the threshold, and awarded under Section 41-43 or Schedule 5 of the PA 2023, there is a mandatory requirement to publish notices. In advance of the DAC a **Transparency Notice** (UK 5) and **Contract Award Notice** (UK 6) must be published on the Find a Tender Service (FTS). Publication must be completed via the government's Central Digital Platform (CDP). To access the BSO CDP, please send your request to ITSPMO@hscni.net.
- 5.3. Transparency Notice and Contract Award Notice need to be published 8 clear working days prior the DAC starting date. It is the responsibility of the business area raising the DAC to publish required notices within the required timescales.
- 5.4. After observing the standstill period, where no challenges have been received, a **Contract Details Notice** (UK7) must be published within 30 days of the DAC approval date. If the contract is valued over £5m this must include KPIs and a **Contract Performance Notice** must be published. Detailed information on these requirements is contained within the training and guidance [how to complete and publish notices](#). If you require additional support with notices, please contact Finance Governance Manager at Marzena.Nowacka@hscni.net
- 5.5. If Transparency Notice and Contract Award Notice have been published but decision has been made not to proceed with the DAC, a **Procurement Termination Notice** (UK11) must be published.
- 5.6. **Contract Termination Notice** (UK11) required to be published after a contract has been terminated, as a result of the natural expiry of the contract.
- 5.7. All DACs that are aggregated and require notices must include the aggregated spend within notice.





6. Post approval monitoring on award of contract

- 6.1. It is the responsibility of the business area who raised the DAC to monitor spend against approved DAC value and duration of contract on an ongoing basis **ensuring neither are breached**. In addition, a DAC spend template ([Appendix 2](#)) must be completed and returned to the Governance Manager when requested.
- 6.2. Upon termination of the contract, following its natural expiry, a Contract Termination Notice (UK11) is required to be published.
- 6.3. The Procurement Act requires Conflicts of Interest, actual or perceived, to be considered and documented throughout the preparation, award and post award management of the DAC. If at any stage during the management of the DAC a change in relation to the Conflicts of Interest assessment occurs it is essential to report and record this in line with BSO Conflicts of Interest Policy.

7. BSO DAC Register

All DACs will be recorded on the BSO DAC Register which is held by the Finance Governance Manager and regularly reported to the Governance and Audit Committee. The Register records the following information:

1.	DAC Reference Number
2.	Department
3.	Recommending Officer
4.	DAC Title and Description
5.	Service provider/ Supplier
6.	RAG Status
7.	Actual Value (Ex VAT)
8.	Period DAC/ Period DAC with single Payment or One-off DAC
9.	DAC Start Date
10.	DAC End Date
11.	DAC Extension Y/N; anticipated Extension Date
12.	DAC Category
13.	Approving Officer/ Approver Title
14.	Date Approved
15.	Date Contract Awarded
16.	Contract/ Expenditure Start Date
17.	Reason for Red/Amber/Retrospective/Green-Conditional RAG Status (If Green NA)
18.	Contract Award Notice publishing date (30 days of Contract Start Date)
19.	In compliance with Section 41,43 or Sched. 5/public interest (enter S41-43, S5 or PI)
20.	PA 2023 Transparency notice publishing date
21.	PA 2023 Contract Awarded Notice publishing date
22.	PA 2023 Contract Details Notice publishing date
23.	PA 2023 Other notices
24.	Comments
25.	Attachments

Appendix 1: BSO DIRECT AWARD CONTRACT (DAC) COVER NOTE CHECKLIST

Appendix 1

BSO DIRECT AWARD CONTRACT (DAC) COVER NOTE CHECKLIST

This cover sheet is to be completed by the Requestor and must include Director sign off and accompany all DACs prior to submission to the Chief Executive (Accounting Officer) for consideration for approval within BSO.

1. DAC REFERENCE NO				
2. DAC DESCRIPTION				
3. SUBMITTING OFFICER				
4. DIRECTORATE				
5. PaLS RAG RATING				
6. DAC VALUE (EXC VAT)				
9. DAC PROPOSED START DATE				
10. DAC DURATION				
11. DIRECTOR NAME				
12. DoH APPROVAL REQUIRED (when RAG rating RED and over £1m)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>

13. Summary of PaLS Advice including any follow up actions (Section 8 of the DAC form)



14. Conflict of interest declaration

By signing this Form, I declare that there are no conflicts of interest of any nature which would prevent me from participating in the above procurement.

DECLARATION

I recommend Accounting Officer approval of this DAC and commit to ensuring that my Directorate:

- completes any follow up actions following receipt of advice from PaLS;
- provides assurance on the completion of any required follow up actions, in line with PA 2023
- monitors the corresponding spend/duration against the DAC once appropriate approvals are in place.

DIRECTOR SIGNATURE: _____

DATE: _____

Appendix 2: DIRECT AWARD CONTRACTs (DACs) EXPENDITURE TEMPLATE

Appendix 2

DAC Ref	Actual Contract Start Date	Value approved (Ex VAT)	Purchase Order Number/s	Spend to Date	Is the DAC still live? Y/N If N, state when ended