Procurement Policy

College Policy No FIN01

Approved by Catriona Blake
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1. INTRODUCTION

1.1 Public procurement is subject to the EU Treaty Principles of non-discrimination, equality of treatment, transparency, mutual recognition and proportionality. This has been enshrined in law by the **EU Procurement Directives** and **Procurement Reform (Scotland) Act 2014**. In order to meet our obligations, ensure best practice, and achieve best value for public funds, Dundee and Angus College follows the Scottish Government’s **Procurement Journey**.

1.2 The Procurement Reform (Scotland) Act (PRSA) came into force on 18 April 2016 and increased the legislative requirements on public sector bodies. This included lowering the thresholds for a compliant tender process for supplies and services to £50,000 aggregated across the College and, in the case of recurring spend, this is spread over a 4 year period equating to £12,500 per annum. All contracts which exceed this threshold must be advertised on **Public Contracts Scotland (PCS)** to open up opportunities to as wide a market as possible.

1.3 As part of the PRSA, Dundee and Angus College must produce a public facing Procurement Strategy detailing our commitment to achieving value for money; promoting and advancing diversity and equalities; promoting **sustainable development**; acting fairly towards suppliers; partnership working across the sector and complying with our legislative requirements while maintaining the highest ethical standards. In addition we must:
   - publish our upcoming regulated procurements
   - report annually on the success our strategy, explaining any deviations; and
   - maintain a contracts register

1.4 The intention of the PRSA is to open up public sector procurement to a wider market to achieve best value, develop public sector procurement and improve the supply base capabilities and awareness.

1.5 The Policy will support the College’s key objectives as set out in the **Regional Outcome Agreement** by ensuring the sustained integrity of procurement processes.

2. SCOPE

2.1 This Procurement Policy applies to all purchases made by the College, including those funded from both capital and revenue budgets. The Policy must be adhered to by all staff involved in procurement activity and should be read in-conjunction with the following College documentation:
   - Procurement Authorisation Process (FINSP01)
   - **Financial Regulations**
   - **Procurement Strategy**
   - eProcurement system guidance

2.2 Any expenditure anticipated to reach £10,000 must be notified to the **Procurement Department** in advance of any purchase order being raised. Early notification will allow resources to be allocated, meetings to be arranged and guidance to be provided to
undertake the procurement exercise in accordance with best practice. Procurement support and advice is available regardless of level of spend and this advice is more effective at the inception stage of any proposed procurement.

2.3 The Procurement Journey is intended to support all levels of procurement activities and to help manage the expectations of stakeholders, customers and suppliers alike. It facilitates best practice and consistency across the Scottish public sector and is primarily aimed at developing and implementing procurement strategies (compliant procurement processes) for goods and services.

2.4 Purchases should only be made under frameworks negotiated by approved consortia or via contracts let by the College. The use of non-contract suppliers for the purchase of goods and services must be justified by the budget holder and approved by the Procurement Manager following the appropriate procurement good practice procedure. The use of appropriate frameworks ensures that the proper regulations are followed, including sourcing of goods and/or services.

2.5 There should be clear separation of budgetary authority and procurement authority. Budget holders should have authority to initiate a procurement by specifying their requirements and providing budgetary authority for the expenditure. The authority to purchase (Delegated Purchasing Authority (DPA)) and ultimately place that order should be in separate hands.

2.6 The Policy covers procurement activity at all of the college locations and applies to all areas of activity – teaching and non-teaching. Failure of any member of staff to adhere to this Procurement Policy may lead to disciplinary action.

3. RESPONSIBILITIES

General

3.1 The Board of Management Finance & Property Committee (FPC) is responsible for agreeing the Policy and overseeing compliance with its principles.

3.2 The Vice Principal Corporate Services (VP (CS)) is accountable for the implementation of the Policy and for ensuring an appropriate Procurement Strategy is in place to facilitate this.

3.3 The Head of Finance (HOF) is responsible for the effective operation of this policy and will ensure that suitable procedures and practices are embedded.

3.4 The Procurement Manager is responsible for managing the College’s procurement activity and associated record keeping.

3.5 All College staff are responsible for adhering to the policy and complying with associated procedures.
Purchasing

3.6 The HOF is responsible for the day-to-day management of the purchasing process, including delegation and division of responsibilities.

3.7 Nominated staff in the Centres and Departments are responsible for generating official purchase orders and receipting goods.

Tendering

3.8 The VP (CS) will authorise an appropriate member of staff to manage a competitive tender exercise. This would normally be the Procurement Manager.

3.9 The VP (CS) is responsible for ensuring that the college complies with its legal obligations concerning Scottish and European Union (EU) procurement legislation.

3.10 The Procurement Manager will advise managers on any relevant legislative and regulatory changes applicable to public sector procurement.

4. VALUE FOR MONEY

4.1 Proficient Procurement
The overarching principle to be employed is the achievement of value for money in a legally compliant way. Value for money is the optimum balance of price and quality and there are 2 main aspects that impact on value for money in terms of purchasing goods and/or services:

- Product specification – quality and quantity
- Source of supply – right time, right place, right price.

Staff involved in the purchase of goods and/or services must be clear on how to develop an output based specification for a product. This can include: purpose of goods or services; necessary characteristics (size, finish etc); performance; life span; installation and maintenance arrangements etc.

Dundee and Angus College follow the Scottish Governments Procurement Journey as best practice for public sector procurement.

In order to ensure technical concurrence with the College’s computer software and systems, only ICT authorised staff may place orders for hardware, software and associated products via the approved order process/system.

Unnecessary small value orders should be avoided as the acquisition cost of raising a purchase order can exceed the cost of the product.

4.2 Collaborative Procurement
The College will, wherever possible, use collaborative procurement in the sourcing of goods and services to achieve value for money. This may involve the use of framework agreements negotiated nationally, for the sector, or locally with other partners.
Where a collaborative framework exists for the provision of required goods and/or services these should be used (unless agreed otherwise by the Procurement Department) for the following reasons:

- Competitive pricing, benefitting from economies of scale and greater negotiating resource in compliance with the EU Procurement Directives (for spending above the EU Thresholds);
- Authorised suppliers on such contracts have been vetted for financial health, insurance status, trading references, Health and Safety, Quality, and corporate and social responsibility policies;
- Redress: benefit from well-defined terms and conditions as well as support from the buying consortium should any issues arise;
- An existing framework provides adequate information on technical standards etc. and facilitates dialogue with approved suppliers, generating a more informed procurement decision and cost avoidance; and
- By utilising these frameworks the College is not obliged to undertake its own fully compliant tender exercise, thus reducing the workload of both the Procurement and requisitioning department.

While the use of collaborative frameworks is not mandatory, as a publicly funded body the College must have exceptional reasons for not utilising them and must be able to justify its claim of obtaining value for money for public funds whilst incurring the additional resource costs and attendant risks of undertaking a separate fully compliant regulated procurement process.

The College will work in partnership with other public sector bodies to maximise the benefits arising from collaborative procurement. In particular the College is committed to working in partnership with:

- **Scottish Procurement and Commercial Directorate** and **Crown Commercial Services**
  Category A: goods and services that are commonly used across the whole of the public sector. IT services, utilities, office supplies and telecommunications are included in this group.

- **Advanced Procurement for Universities and Colleges (APUC)**
  Category B: goods and services that are commonly used across a specific sector for example, medical supplies used by the NHS or laboratory equipment used by universities and colleges. APUC Limited is the procurement centre of expertise for all of Scotland’s universities and colleges.

- **Tayside Opportunities for Procurement in Collaboration (TOPIC)**
  Category C1: goods and services that are best procured collaboratively on a regional basis and can be open to all public sector bodies in a predetermined area e.g. Tayside.

**Public Procurement Reform** in Scotland began in 2006 with the main theme being collaboration as a means of achieving best value, compliance and upskilling the sector. The College will embrace collaboration through the use of collaborative frameworks, however where none are available to the College and there is the potential of joint contracting with the public sector to obtain more competitive rates via economies of scale, this should always be considered prior to any procurement exercise.
4.3 **Environmental Responsibility and Sustainability**

The College recognises that procurement of goods and services has an environmental impact in addition to the direct contribution of the actual goods and services themselves. This may include the impact of transportation or manufacturing of those goods and services. It will therefore consider such impacts when appraising procurement options.

Particularly in large projects or procurement exercises, the College will consider the sustainability of solutions, taking into account the source of materials, use of natural resources, and stability of economic growth. Members of staff involved in procurement will be required to take into account the impact of waste and waste disposal prior to making a purchasing decision in a full life-cycle costing approach to purchasing.

4.4 **Corporate Social Responsibility**

The College recognises its position in the community as a partner to businesses and voluntary organisations throughout Tayside and further afield. Its relationships are not simply as an education and training provider, but also as a supplier and consumer of goods and services. To develop and maintain such relationships, the College will also consider the local economy when appraising procurement options and where appropriate, relevant and proportionate include Community Benefit clauses in procurement exercises.

As part of our efforts at developing our local small and medium enterprises, Dundee and Angus College have signed up to the Suppliers Charter, attend Tayside Meet the Buyer Events and raise awareness of training opportunities through the Supplier Development Programme.

4.5 **General Data Protection Regulations**

The College will ensure that all information collected during any procurement exercise is handled in line with data protection principles and in accordance with the General Data Protection Regulation (“GDPR”) in relation to that information.

5. **EFFICIENT AND EFFECTIVE PROCEDURES AND PROCESSES**

5.1 **Procedures**

The College will ensure that it has clear, concise procurement procedures in place, as dictated by its Financial Regulations. These will detail the roles and responsibilities of individual post holders and prescribed authorisation levels. Procedures will also determine the appropriate route for types and levels of procurement.

5.2 **eProcurement**

The College recognises the benefits of eProcurement solutions in terms of efficiency and cost reduction. It will seek to employ such solutions wherever it is appropriate to do so.

The College’s eProcurement system must be used for placing purchase orders ensuring the required supplier has been set up on the system.
Purchase orders must be raised well in advance of commitments. The practice of using confirmations orders runs counter to the public procurement policy and must not be undertaken.

5.3 **Active Supplier Management**
The College will actively manage its suppliers to ensure that details and catalogues are up-to-date. It will periodically review the supplier database to update and remove suppliers as appropriate. Open dialogue will be maintained with suppliers to ensure that the College’s specifications for ongoing supplies of goods and services are understood and complied with.

The College will actively engage with key suppliers and apply good contract and supplier management principles as detailed in the Procurement Journey.

5.4 **Terms and Conditions**
The College’s Terms and Conditions for the supply of goods and services will be clearly laid out and the College will ensure they are complied with. They are available on the College [website](#).

All contracts undertaken by the College or purchase orders raised against non-central contracts must only be entered into under the College’s Terms and Conditions of Contract and must be subject to Scots Law, unless agreed otherwise by the Procurement Department.

All purchase orders raised against collaborative frameworks agreements/contracts must only be raised against the terms and conditions used by the purchasing consortia which awarded the framework/contract.

6. **APPROPRIATE SKILLS, EXPERTISE AND INTEGRITY**

6.1 The College will ensure that staff members involved in procurement are appropriately supported throughout the process. In addition to clear processes and procedures, such support will include advice from appropriately qualified staff and will draw on support from APUC.

6.2 To maintain the highest ethical standards across the College, members of staff involved in procurement will:
- Abide by the College’s Fraud, Anti-Bribery and Corruption Policies (as detailed in the College’s Financial Regulations);
- Abide by the College’s Code of Conduct as well as the policy on accepting/providing gifts and hospitality (as detailed in the College’s Financial Regulations); and
- Abide by the Chartered Institute of Procurement and Supply (CIPS) [Code of Ethics](#).

7. **EQUALITY OF OPPORTUNITY**

7.1 The College has a statutory duty, as defined by the Equalities Act 2010, to advance equality of opportunity in all of its functions, including procurement. The College
remains responsible for meeting its obligations under the various statutes even when an external contractor provides one or more of the College’s functions. Where appropriate, an Equality Impact Assessment will be undertaken and members of staff involved in procurement will take account of the following key objectives when taking forward purchasing decisions:

- Ensuring all contracts are delivered in a way which is non-discriminatory and advances equality of opportunity for the College’s staff, students, the general public, and businesses;
- Ensuring that the goods, works, and services provided by contractors cater for all users’ needs;
- Ensuring that the College complies with the Scottish Government’s Suppliers Charter; and
- Ensuring that local suppliers and Small to Medium Sized Enterprises (SMEs) have equality of opportunity when bidding/tendering for College contracts for example appropriate lotting of requirements.

8. PERFORMANCE AND PRACTICE REVIEW

8.1 The College will measure its procurement function against agreed targets. Where national indicators of performance and practice, such as the Scottish Government’s Best Practice Indicators, exist, then the College will participate in exercises to compile them and use any output data to inform future business decisions. The College may also set appropriate local benchmarks or targets for performance.

8.2 Planned and random procurement audits will be undertaken by the Procurement Department and/or the College’s internal auditors to ensure that the College’s Procurement Policies and Procedures have been followed. In addition APUC will undertake Procurement and Commercial Improvement Programme (PCIP) assessments on a biennial basis across the sector.

8.3 The PCIP replaces the previous Procurement Capability Assessment (PCA) and focusses on policies and procedures driving procurement performance and more importantly the results that they deliver. The PCIP is a biennial audit of public sector procurement with a focus on embedding best practice across the public sector.

9. REVIEW OF PROCUREMENT POLICY

9.1 As a minimum, this Procurement Policy will be reviewed by the VP (CS) on an annual basis.

10. REFERENCES

Procurement Authorisation Process (FINSP01)