



# PROCUREMENT POLICY

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## CONTENTS

1	INTRODUCTION .....	3
2	LEGISLATIVE BACKGROUND .....	3
3	SCOPE .....	4
4	DUNDEE AND ANGLUS COLLEGE PROCUREMENT VALUES .....	5
5	HOW WE BUY – SOURCING (PRE-CONTRACT AWARD) .....	6
5.1	Use of existing contracts.....	6
5.2	Value vs Risk based approach .....	6
5.3	Contract Value & Value Thresholds .....	6
5.4	Assessing Risk & High Risk Factors .....	7
5.5	Non Competitive Action .....	7
5.6	Contract authorisation and signatory .....	7
5.7	Use of eMarketplaces .....	7
6	RESPONSIBILITIES.....	7
	General .....	7
	Purchasing .....	7
	Tendering.....	8
7	VALUE FOR MONEY .....	8
7.1	Proficient Procurement .....	8
7.2	Collaborative Procurement .....	8
7.3	Environmental Responsibility and Sustainability .....	9
7.4	Corporate Social Responsibility .....	10
7.5	Data Protection.....	10
8	EFFICIENT AND EFFECTIVE PROCEDURES AND PROCESSES .....	10
8.1	Procedures .....	10
8.2	eProcurement.....	10
8.3	Active Supplier Management.....	11
8.4	Terms and Conditions.....	11
9	APPROPRIATE SKILLS, EXPERTISE AND INTEGRITY .....	11
10	EQUALITY OF OPPORTUNITY .....	11
11	PERFORMANCE AND PRACTICE REVIEW.....	12
12	REVIEW OF PROCUREMENT .....	12
13	REFERENCES .....	12

Prepared by:	Finance Team	Approved By:	Vice Principal (Corporate Services)
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## 1 INTRODUCTION

The purpose of this policy is to set out the framework within which the College's procurement, purchasing and contract management activity operates.

This document provides a broad overview of the legislative demands of the Scottish Public Procurement landscape and explains the subsequent obligations on College staff to maintain compliance.

This policy is relevant to all staff involved in the procurement and/or purchasing of goods, services or works, and the management of contracts and/or suppliers on behalf of the College. It is important that this policy and its contents are understood, in order to ensure that procurement and purchasing is undertaken in the most effective and compliant manner.

Heads of Departments and budget holders have responsibility to ensure that procurement and purchasing activity within their areas operates compliantly with this policy.

It is recommended that the Procurement Manager is contacted for advice and guidance should any doubt remain as to the correct course of action to take following review of this document and associated procedures. The Procurement Manager is supported by the Tayside Region Procurement Team.

Departure from this policy and associated procedures requires prior discussion and consent from the Procurement Manager or Head of Finance.

## 2 LEGISLATIVE BACKGROUND

Public procurement in Scotland is based on the EU Public Procurement Directives and EU Treaty Principles of non-discrimination, equality of treatment, transparency, mutual recognition and proportionality, which have been incorporated into Scottish public procurement legislation. Although the UK has now left the EU, this legislation remains in force and so the underlying principles are unchanged.

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 policy. This is regularly updated to reflect any changes in their policy or in the governing legislation.

The Scottish public procurement legislation imposes legislative requirements on public sector bodies. These include a requirement to carry out a compliant tender process for supplies and services over £50,000. This is 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, unless a framework or other collaborative arrangement is used.

Dundee and Angus College must also 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 of our strategy, explaining any deviations
- maintain a contracts register

Prepared by:	Finance Team	Approved By:	Vice Principal (Corporate Services)
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In May 2018, a new Climate Change Bill was introduced to the Scottish Parliament to raise the ambition of Scotland's domestic emissions reduction targets in line with the UN Paris Agreement; and following the First Minister's declaration of a global climate emergency in April 2019, the Scottish Government set a net-zero emissions target for 2045, and to increase the targets for 2030 (to 70% reduction) and 2040 (to 90% reduction). In December 2020, the Scottish Government issued guidance to all Chief Officers in the Public Sector calling for corporate commitments to be aligned to Scotland's climate change public bodies duties and the Programme for Government commitments ([2019-20](#) and [2020-21](#)), including transitioning the organisation to lower emission solutions. The College will use its procurement spend to support its response to these commitments and to the global climate emergency.

This Policy will support the College's key objectives as set out in the [Regional Outcome Agreement](#) by ensuring the sustained integrity of procurement processes.

### 3 SCOPE

This Procurement Policy applies to all external spend made by the College, whether teaching or non-teaching related, regardless of funding source or budget stream (e.g. Capital, Revenue and/or Strategic Project), except where specifically agreed/required by the funding body.

Elements of this policy also apply to situations where goods, services or works are obtained without any identifiable contractual consideration e.g. work undertaken by a supplier as a zero cost 'pilot' or "free trial".

The following items are deemed to be outside the scope of the Procurement policy, however colleagues are reminded of the need to adhere to any other College policies and procedures that may be applicable:

- staff costs (payroll, expenses, pensions)
- payments to individuals providing support services for students with disabilities
- statutory payments to a single provider mandated by law or under a regulatory regime where there is no opportunity to seek an alternative provider or negotiate on price (e.g. copyright licensing, vital subscriptions and memberships, Disclosure Scotland)
- compensation or fines
- payments related to acquisition or disposal of land
- rent and Rates
- payments to other HE/FE Institutions for educational purposes

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 (P2P) guidance

Any expenditure anticipated to reach £5,000 must be notified to the [Procurement Team](#) in advance of any purchase order being raised. Early notification will allow for early discussions, resources to be allocated 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.

Prepared by:	Finance Team	Approved By:	Vice Principal (Corporate Services)
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Purchases should, wherever possible and appropriate, be made under frameworks negotiated by approved consortia or via contracts let by the College. The use of appropriate frameworks ensures that the proper regulations are followed, including sourcing of goods and/or services.

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.

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 whenever possible.

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

## 4 DUNDEE AND ANGUS COLLEGE PROCUREMENT VALUES

In addition to maintaining the core procurement principles of Fairness, Transparency and Equal Treatment, procurement at Dundee and Angus College is underpinned by the following values:

### *Business Partnering*

Working collaboratively with academic and non-academic staff to deliver professional advice, guidance and support in relation to procurement and purchasing, contributing to excellent academic and student experience.

### *Commercial Effectiveness & Efficiency*

Pursuing value for money solutions, considering the whole life cost of a contract or purchase and maximise the delivery of savings & benefits to the College, seeking collaboration where opportunities exist.

### *Risk Management*

Taking a risk-based approach, offering commercially pragmatic solutions whilst remaining focused on minimising risk exposure through placing robust contractual agreements.

### *Strong Governance & Transparency*

Documenting our rationale for decision making and ensuring a clear audit trail is maintained, evidencing appropriate levels of authority for contractual agreement are sought and provided.

### *Compliance with Legislative Requirements*

Ensuring the College upholds the core procurement values of Fairness, Transparency and Equal Treatment and maintains compliance with its legal obligation with regards to procurement, namely the Procurement Reform (Scotland) Act 2014 and Public Contracts (Scotland) Regulations 2015.

### *Sustainable Procurement*

Considering environmental, economic, social, and ethical aspects to how and what we buy and associated impacts/outcomes.

Prepared by:	Finance Team	Approved By:	Vice Principal (Corporate Services)
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## 5 HOW WE BUY – SOURCING (PRE-CONTRACT AWARD)

### 5.1 Use of existing contracts

Where possible, staff must purchase from existing contracts and P2P registered suppliers. Details of existing contracts and available frameworks can be found in the Contracts Register. If there is no existing contract or suitable framework, staff must contact the Procurement Team for advice and guidance.

Where a contract does not exist, available public sector frameworks (placed by APUC, Scottish Procurement or other similar Public Sector consortia) must be considered in the first instance to ensure the College maintains a minimal risk position.

### 5.2 Value vs Risk based approach

The College adopts a blended approach to procurement and purchasing taking both contract value and level of associated risk into account.

Heads of Departments are required to notify the Procurement Manager of any anticipated projects or purchases requiring procurement support following the conclusion of each annual operational planning process or when additional funds are made available.

The Procurement Team are available to provide advice and guidance regardless of level of spend/risk profile of a purchase to ensure the most appropriate approach is taken.

### 5.3 Contract Value & Value Thresholds

When calculating contract value, staff must consider the **total amount of expenditure** likely to be spent during the entire life of any contract. For example, if a purchase costs £5,000 a year and the service is required for 3 years, the contract value will be £15,000. Where staff are unsure how long a contract is required for, a rule of thumb of 4 years (or 48 months) should be used.

The table below details the value thresholds dictating the approach for staff to follow where a new quotation or sourcing exercise is required i.e. where an existing contract does not exist:

<b><u>Total Value over contract period (or 4 years)</u></b>	<b><u>Action required (evidence of process followed to be kept for audit purposes)</u></b>
Up to £3,000	Single quotation Use existing P2P supplier
£3,000-£5,000	At least 3 written quotations (by email) Use existing P2P suppliers
£5,000 - £25,000	At least 4 quotes, requested via PCS “Quick Quotes” procedure. Refer to Procurement Manager for advice and guidance prior to any supplier engagement
£25,000 - £50,000	Refer to Procurement Manager for advice and guidance prior to any supplier engagement. Procurement Team will work with you to determine most appropriate approach.
Over £50,000	Regulated Procurement – Procurement Manager or Team lead activity to ensure full compliance with Procurement Regulations

Prepared by:	Finance Team	Approved By:	Vice Principal (Corporate Services)
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## 5.4 Assessing Risk & High Risk Factors

In addition to the total value of a purchase, Staff must consider what other factors may contribute to the risk associated with a purchase. Any high risk purchase must be referred to the Procurement Team for advice and guidance on how to proceed prior to any supplier engagement.

## 5.5 Non Competitive Action

The College is required to comply with various forms of Procurement legislation as well as the wider principle of ensuring public funds are utilised appropriately in order to achieve value for money. Failure to follow a competitive, transparent and non-discriminatory process has the potential to breach legislation and exposes the College to risk. It is recognised that exceptional circumstances may arise where it is impossible or impractical to undertake a competitive procurement process such as obtaining quotes or tenders from multiple suppliers. This is known as a Non Competitive Action (NCA).

A legitimate case for Non Competitive Action exists in the following scenarios:

The product/service is unique and no other supplier can provide an equivalent that meets the users requirements;

A specific product/service is required for technical reasons, to be compatible with existing infrastructure/system, or for reasons of continuity.

## 5.6 Contract authorisation and signatory

Contracts will be authorised, approved, and signed in line with the Scheme of Delegation as defined in the Financial Regulations. No contract is to be signed until associated procurement activity has fully concluded.

## 5.7 Use of eMarketplaces

Authorised staff may use certain e-marketplaces, including (but not limited to) Amazon Business, but these should not be used for items which are available under existing frameworks or from existing suppliers. Any such purchases are subject to approval by Procurement, and misuse will result in authorisation being withdrawn.

## 6 RESPONSIBILITIES

### General

- 6.1 The Board of Management Finance & Property Committee (FPC) is responsible for agreeing this Policy and overseeing compliance with its principles
- 6.2 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
- 6.3 The Head of Finance (HOF) is responsible for the effective operation of this policy and will ensure that suitable procedures and practices are embedded
- 6.4 The Procurement Manager is responsible for managing the College's procurement activity and associated record keeping
- 6.5 All College staff are responsible for adhering to the policy and complying with associated procedures

### Purchasing

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

Prepared by:	Finance Team	Approved By:	Vice Principal (Corporate Services)
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- 6.7 Nominated staff in the Centres and Departments are responsible for generating official purchase orders and receipting goods

## Tendering

- 6.8 The VP (CS) will authorise an appropriate member of staff to manage a competitive tender exercise. This would normally be the Procurement Manager but may extend to Heads of Department in particular instances
- 6.9 The VP (CS) is responsible for ensuring that the college complies with its legal obligations concerning Scottish procurement legislation
- 6.10 The Procurement Manager will advise managers on any relevant legislative and regulatory changes applicable to public sector procurement

## 7 VALUE FOR MONEY

### 7.1 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 two 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 Government's [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, including approval by Procurement where required.

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

### 7.2 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

Prepared by:	Finance Team	Approved By:	Vice Principal (Corporate Services)
--------------	--------------	--------------	-------------------------------------

- 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

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 Procurement Consortium \(TPC\)](#)

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.

### 7.3 Environmental Responsibility and Sustainability

The College is committed to meeting its climate and circular economy obligations and 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.

Purchasers should bear this in mind when considering whether, what, how and how much to buy:

Whether you buy: Service areas should be encouraged to revisit and re-think need. This may result in an overhaul in requirements, or more minor re-thinks. Perhaps existing goods, works and services are good enough, can be used for longer or can be reused, refurbished or repaired.

Prepared by:	Finance Team	Approved By:	Vice Principal (Corporate Services)
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What you buy: Specifications must consider our climate ambitions, ensuring early engagement with procurement colleagues and other relevant stakeholders to provide the best chance of maximising the contribution that procurement can make. Perhaps you can buy refurbished, repaired or pre-used, rather than new. Solutions should be future-proofed to allow for refurbishment, remanufacture and repair, as well as emerging technology.

How you buy: Budget holders must understand and actively support a strong focus on climate considerations within procurements, helping to achieve a balance of economic, social and environmental outcomes in procurement decisions. Additional focus must be placed upon whole life costing.

How much you buy: There may be an opportunity to review your corporate appetite, governance and influence to support climate and circular economy outcomes, including through improved demand management. For example, introducing targeted spend controls or restricting choices through contracts.

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.

## 7.4 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](#).

## 7.5 Data Protection

The College will ensure that all information collected during any procurement exercise is handled in line with data protection principles and in accordance with current data protection legislation and industry best practice.

## 8 EFFICIENT AND EFFECTIVE PROCEDURES AND PROCESSES

### 8.1 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.

### 8.2 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.

Prepared by:	Finance Team	Approved By:	Vice Principal (Corporate Services)
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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 confirmation orders runs counter to the public procurement policy and must not be undertaken.

### 8.3 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.

### 8.4 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.

## 9 APPROPRIATE SKILLS, EXPERTISE AND INTEGRITY

9.1 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.

9.2 To maintain the highest ethical standards across the College, members of staff involved in procurement will:

- abide by the College's [Disciplinary Policy](#)
- abide by the College's [Fraud, Bribery and Corruption Policy](#)
- abide by the College's [Gifts and Hospitality Policy](#)
- abide by the College's [Modern Slavery Act Policy](#)
- abide by the Chartered Institute of Procurement and Supply (CIPS) [Code of Ethics](#)

## 10 EQUALITY OF OPPORTUNITY

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:

Prepared by:	Finance Team	Approved By:	Vice Principal (Corporate Services)
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- 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

## 11 PERFORMANCE AND PRACTICE REVIEW

11.1 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.

11.2 Planned and random procurement audits will be undertaken by the Procurement/Finance 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. The PCIP assessment is a biennial audit of public sector procurement with a focus on embedding best practice across the public sector.

## 12 REVIEW OF PROCUREMENT

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

## 13 REFERENCES

[Procurement Authorisation Process \(FINSP01\)](#)  
[Financial Regulations Policy \(FIN02\)](#)  
[Procurement Strategy \(FINST01\)](#)