

APPENDIX R



west lothian
college

Procurement Policy and Procedure

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1 Purpose

- 1.1 This purchasing policy and procedure sets out the legal framework within which all procurement in College should be undertaken, and identifies the key practices that will ensure effective procurement within the College.
- 1.2 Effective procurement of goods and services is based on best 'fit' and value for money, and having due regard to propriety and regularity. Value for money is defined as the optimum combination of whole-life cost and quality (or fitness for purpose) to meet the user's requirement.
- 1.3 The College has a central purchasing procedure that must be followed at all times. An official purchase order must be used for all purchases, as detailed in the College Financial Regulations.
- 1.4 The College uses the Scottish Government's electronic procurement system (PECOS) for raising purchase order requisitions. To access Framework Agreements the College has assigned itself to Advance Procurement Universities and Colleges (APUC Ltd).

2 Scope

- 2.1 The policy and procedure applies to all staff working on behalf of the College. All types of purchasing must be supported by a pre-determined budget agreed by the Vice Principal – Finance & Curriculum Services.
- 2.2 This policy and procedure should be read in conjunction with the College's Equalities Mainstreaming Report.

3 Governance

- 3.1 The College is governed by the following legislative framework and internal policies:

Procurement Legislation:

- Public Contracts (Scotland) Regulations 2015
- Procurement Reform (Scotland) Act 2014 and Procurement (Scotland) Regulations 2016
- Concession Contracts (Scotland) Regulations 2016

Other Relevant Legislation:

- Equality Act 2010
- Bribery Act 2010
- Freedom of Information (Scotland) Act 2002
- Data Protection Act 1988
- Health and Safety at Work Act 1974

College Policies and Procedures:

- Financial Regulations
- Equalities Mainstreaming Report
- Risk Management Policy
- Regional Outcome Agreement

All contracts entered into shall be subject to Scots Law and governed by the jurisdiction of the Scottish Courts.

4 Responsibilities

General

- 4.1 The Vice Principal – Finance & Curriculum Services is responsible for managing and updating this policy and procedure.
- 4.2 The Senior Team is responsible for the effective operation of this policy and procedure within their Centres and Departments.
- 4.3 All College staff are responsible for following the policy and procedure guidelines.

Purchasing

- 4.4 The Finance Manager is responsible for the day-to-day management of all records associated with the purchasing process, including division of responsibility.
- 4.5 Nominated staff in the Centres and Departments are responsible for generating official purchase orders, obtaining value for money and receipting goods.
- 4.6 The Facilities Department is responsible for receiving goods and arranging delivery of the goods.
- 4.7 The Finance Department is responsible for entering the invoices into PECOS and confirming that goods have been receipted and the invoice matches the order.

Tendering

- 4.8 The Vice Principal – Finance & Curriculum Services will authorise an appropriate project manager to manage a competitive tender exercise.
- 4.9 The Vice Principal – Finance & Curriculum Services is responsible for ensuring that the College complies with its legal obligations concerning Scottish Government and European Union (EU) procurement legislation.

The Vice Principal – Finance & Curriculum Services will advise managers on any change to the Scottish Government and EU thresholds that are currently in operation.

It is the responsibility of managers to ensure that their staff comply with Scottish Government and EU regulations by notifying the Vice Principal – Finance &

Curriculum Services of any purchase that is likely to exceed the thresholds. This will be done sufficiently in advance in order to permit advertisements in the Public Contracts Scotland (PCS) Advertising Website and the Official Journal of the European Union (OJEU).

5 Legal Thresholds for Tender

5.1 Unless otherwise stated, all monetary figures exclude VAT;

Current (April 2016) Scottish Government (Procurement Reform Act) thresholds are:

- Supplies and Services - £50,000 (fifty thousand pounds).
- Works - £2,000,000 (two million pounds).

Current (January 2020) EU thresholds are:

- Supplies and Services - £189,330 (one hundred and eighty nine thousand, three hundred and thirty pounds).
- Works - £4,733,252 (four million, seven hundred and thirty three thousand, two hundred and fifty two pounds).

6 Advanced Procurement for Universities and Colleges (APUC)

6.1 The College works with APUC for advice on the procurement process and recommended procedural requirements that should be met. In particular, attention is drawn to the Scottish Government's *Procurement Journey* which provides a guide through the key decisions that need to be addressed before embarking on a new procurement. Further details can be found on the APUC Website:

<http://www.apuc-scot.ac.uk/#!/tender>

6.2 The APUC website contains a list of all current Framework Agreements which the College can access:

<http://www.apuc-scot.ac.uk/#!/contracts>

7 Contract Register

7.1 In line with current Scottish Government Procurement Legislation, the College shall maintain a Public Facing Contract Register detailing the following information:

- Date of Award
- Name of Contractor
- Subject Matter
- Estimated Value
- Start Date
- End Date

- Duration of any period for which the contract can be extended

8 Tender and Quotation Procedure

8.1 All purchasing activity in the College must be undertaken in accordance with public procurement regulations and will be based on the achievement of best 'fit' and value for money. The goods/service shall be of the right quality available at the right time. The purchaser must demonstrate propriety and due diligence at all times during the purchasing process.

8.2 The College will follow the required internal and legislated threshold when buying goods, services or works.

Thresholds exclude VAT.

Thresholds apply to a one off purchase or for a recurrent procurement over a four year period. A recurrent procurement is where you have a continuous requirement year on year. For a recurrent procurement of value above £12.5k per annum, a tender process is required as this achieves the £50k value over a four year period.

8.3 Where the stated number of quotes up to £50,000 are unable to be obtained, a detailed written explanation is required to be submitted to the Vice Principal – Finance & Curriculum Services .

8.4 Where the stated number of tenders over £50,000 are not received then agreement is sought from the Vice Principal – Finance & Curriculum Services to continue with less bidders

8.5 Where the requirement is over £50,000 and is deemed a single source requirement and there is no possible alternative, a Single Source Justification Form (Appendix 1) shall be submitted to the Vice Principal – Finance & Curriculum Services.

8.6 Where a framework is available, the College will investigate its suitability **prior** to proceeding with the following:

Route 1A	Below £1,000 – Supplies, Services and Works	The budget holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained.
Route 1B	Between £1,000 and £20,000 – Supplies, Services and Works	3 price comparisons or written quotations. Approval of the Vice Principal – Finance & Curriculum Services is required.
Route 1C	Between £20,000 and £50,000 – Supplies, Services and Works	PCS- Quick Quote. 3 or more quotes advertised on Quick Quotes to named suppliers.

		Approval of the Principal is required.
Route 2A	Between £50,000 and £189,330 – Supplies and Services	<p>PCS – Public Contracts Scotland Open Tender Advert</p> <p>Approval of the Principal is required up to £100,000.</p> <p>>£100,000 requires approval from the Finance and General Purposes Committee</p>
Route 2B	Between £50,000 and £2,000,000 - Works	<p>PCS – Quick Quote. 5 or more quotes advertised to named suppliers.</p> <p>Approval of the Principal is required up to £100,000.</p> <p>>£100,000 requires approval from the Finance and General Purposes Committee</p> <p>The Vice Principal – Finance & Curriculum Services shall determine whether a tender or quotation is the most appropriate documentation to be issued.</p>
Route 2C	Over £2,000,000 - Works	<p>PCS – Public Contracts Scotland Open Tender Advert</p> <p>Approval of the Principal is required up to £100,000.</p> <p>>£100,000 requires approval from the Finance and General Purposes Committee</p>
Route 3A	Over £189,330 Supplies and Service EU Tender	<p>PCS EU Tender – Will advertise in the OJEU (Official Journal of the European Community) following the most appropriate EU process.</p> <p>Approval is required from the Finance and General Purposes Committee</p>
Route 3B	£4,733,252 Works EU Tender	<p>PCS EU Tender – Will advertise in the OJEU (Official Journal of the European Community) following the most appropriate EU process</p> <p>Approval is required from the Finance</p>

		and General Purposes Committee
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8.7 Public Contracts Scotland - Quick Quotes

Non Regulated Procurements for Supplies, Services and Works <£50,000

For lower value quotes between £1,000 and £20,000, 3 price comparisons or written quotes can be requested in writing or via the Quick Quote System from named suppliers.

For quotes between £20,000 and £50,000, 3 or more quotes will be invited on Quick Quotes from named suppliers where the value is over £20,000.

The Quick Quote system can be used for inviting quotes by mini competition off a Framework agreement.

Works < £2,000,000

Legislation states works over £50,000 and below £2,000,000 do not have to go to full, open advertisement; therefore the notice can be advertised to named suppliers on Quick Quotes.

Works to this value are rare at the College and it will be assessed at the inception stage of the procurement journey to whether the specific project requires an open PCS notice below the £2,000,000 threshold.

8.8 Public Contracts Scotland – Supplies, Services and Works

Regulated Procurements > £50,000 < OJEU Threshold

To tender for the supplies and services over £50,000 and for works, above £2,000,000, but below the OJEU thresholds, advice must be sought from the Vice Principal – Finance & Curriculum Services. An open tender should be raised on the Public Contracts Scotland (PCS) Advertising Portal, the Scottish Government procurement portal.

The College may seek the help of APUC for these types of projects to ensure the correct procedure is followed as per the Scottish Government Legislation.

Compliance with the Procurement Reform (Scotland) Act 2014 is required when awarding a contract over the value of £50,000 under a mini competition. A Contract Award Notice must be published on the PCS-Quick Quote System and request for debriefing conducted in line with the legislation. This applies to both the mini competition and direct call-off process through a framework agreement.

A project strategy (Appendix 2) shall be followed for tenders over this value which details the market research carried out, budget, procurement route, tender panel, key dates and Sustainability Test (Appendix 3) to meet the requirement. This must be carried out prior to commencement of the project.

8.9 Public Contract Scotland – Supplies, Services and Works

OJEU Procurements

To tender for the supplies and services over £189,330 and for works over £4,733,252, advice must be sought from the Vice Principal – Finance & Curriculum Services. The College will seek the help of APUC for these types of projects to ensure the correct procedure is followed as per the Scottish and EU legislation.

A project strategy (Appendix 2) shall be followed for tenders over this value which details the market research carried out, budget, procurement route, tender panel, key dates and Sustainability Test (Appendix 3) to meet the requirement. This must be carried out prior to commencement of the project.

- 8.10 The College attempts to ensure that, if a contractor breaches certain types of legislation, such as anti-discrimination and Health and Safety, it will have a contractual effect as well as being illegal. This is therefore a specific requirement of the College's conditions of contract.
- 8.11 On no account should any member of staff procure goods or services on behalf of a non-affiliated organisation, using the College systems and money.
- 8.12 Notice of tender should be prepared detailing all pre-qualification and other relevant criteria and uploaded to the Public Contracts Scotland portal using the correct procedure and by an appropriate person. The portal will contain all of the necessary detail related to issue of tender.
- 8.13 It may be necessary to circulate opened tenders to a design team or committee for a technical appraisal. The outcome of any such appraisal will be reported in writing to the responsible project manager.
- 8.14 The basis for selecting the chosen supplier will be detailed in the invitation to tender document. This shall set out, as a minimum, a statement of requirements, form of tender, terms and conditions, pricing schedule, evaluation criteria, weightings and scoring mechanism. The selection of the tender will be based evaluation criteria which will take into account other factors as well as price that shall demonstrate best value.

On return, tender bids shall be evaluated using the stated evaluation criteria and scoring mechanism.
- 8.15 Following the evaluation process, the Vice Principal – Finance & Curriculum Services will make a recommendation on which tender to accept.
- 8.16 The Principal and/or relevant Board Committee will approve the final decision on the tender. The Vice Principal – Finance & Curriculum Services will advise the successful and unsuccessful tender respondents accordingly in compliance with relevant legislation.
- 8.17 Information relating to competitive tenders must be retained for 6 years following the end of the contractual period.
- 8.18 The College will ensure:

- contract procedure is in accordance with standards of public accountability;
- those submitting tenders are treated fairly and impartially and;
- compliance with its legal obligations concerning Scottish Government and EU procurement legislation.

9 Purchase Order Procedure

9.1 New supplier details

New supplier details should be received from the Requisitioner who will confirm details as an electronic note to the PECOS order. The Finance Department will arrange for the supplier details to be set up in the PECOS and Finance System and obtain supplier payment details directly from the supplier.

9.2 Purchase order requisitions (POR)

There are two ways to raise purchase orders through PECOS:

- POR items from catalogues on suppliers websites called “punch-out sites”. Once selected, these items are the basis for the requisition. The POR then follows the on-line authorisation procedure.
- For non-catalogue items, the requisitioner enters the relevant information then the POR follows the on-line authorisation process within PECOS.

9.3 Purchase order

All purchase orders must be raised through the PECOS system. Once purchase orders have been fully approved through PECOS, the orders are despatched by email to suppliers.

9.4 Goods receipting

Each Centre or Department is responsible for receipting and matching goods received against the purchase order retained in the system.

9.5 Invoices

All supplier invoices should be directly received in the Finance Department. The Finance Department will enter invoice details into PECOS then confirm goods have been receipted. If any invoices are received without a purchase order, Finance staff will raise this with the relevant Centre or Department.

9.6 Transfer of approved invoices

Once invoices have been fully approved in PECOS these are made available for transfer to the Finance system.

9.7 Payment

Once the goods or services and invoice have been received, the Finance Department will make payment to the supplier. Payment by BACS is the preferred method of settlement.

9.8 Urgent Purchasing Procedure

In exceptional circumstances urgent orders may be given orally, but must be supported by an official purchase order requisition endorsed “confirmation order only” not later than the following working day. Prior approval of the budget holder must be obtained before an oral order is placed. The exceptions to the requirement to raise a purchase order are as follows:

- Utility costs;
- Exam fees;
- Payroll, pension and staff expenses;
- Student fund payments; and
- Catering provisions.

10 Environmental and Sustainability Policy

10.1 The College has an Environmental and Sustainability Policy through which it will:

- comply with, and exceed when possible, all applicable legislation, regulations and codes of practice;
- ensure that all staff are fully aware of the Environmental and Sustainability Policy;
- ensure that all environmental risks are assessed, managed and controlled;
- integrate sustainability considerations into all our business decisions;
- minimise the impact on the environment and our sustainability of our core activities; and
- review and continually strive to improve our sustainability and lessen our impact on the environment.

The College shall meet its objectives set out above and where relevant, consider Environmental and Sustainability impacts on its procurement activities.

For procurements > £50,000 for supplies and services and £2m for Works, the College must legally comply with the Sustainable Procurement Duty and must follow statutory guidance on addressing fair work practices including the living wage where relevant to the procurement. The Sustainability Test shall be undertaken before tender to demonstrate that the Sustainable Procurement Duty and Fair Work Practices have been considered prior to tender.

Where the College has a procurement greater than £4m, it shall follow the statutory guidance for the consideration of Community Benefits where applicable.

The Sustainability Test shall be undertaken before tender to demonstrate that Community Benefits have been considered prior to tenders of this value.

An electronic version of this document is also available on iShare called

“Sustainability Test” and located in:

iShare/Staff Zone/Policies & Procedures/Financial Regulations/Appendix R.

11 Breach of Policy or Procedure

11.1 Breach or non-compliance with the policy and procedure must, on discovery, be reported to the Vice Principal – Finance & Curriculum Services who may discuss the matter with the Principal or Finance & General Purposes Committee, as may be appropriate in order to determine the proper action to be taken.

12 Review of Policy

12.1 This policy and procedure should be reviewed whenever changes affect it or after three years, whichever is the earlier by the Vice Principal – Finance & Curriculum Services.

**Procurement
Single Source Justification Form**

This form requires to be completed in respect of all orders exceeding £1,000 excl VAT where competitive offers are not being obtained. The original should be retained by the Department for Audit Purposes to justify non-compliance with the College's Procurement Policy and Procedures.

Section 1 – Department Completion

Department: _____
Order Number: _____
Proposed Supplier: _____
Value of Purchase (excl Vat): _____
Description of Goods/Services Required: _____

Type of Purchase: Please Tick One-Off Repeat Order Repair Other

Justification of use of Single Source: This form is required to justify the use of a single source supplier and avoidance of tendering procedures. This should include how this purchase demonstrates value for money in terms of the deal obtained, benefits to the College and reason for single sourcing the requirement.

Deal Obtained:

Benefits to the College:

Reason for Non Competitive Quotes/Tender:

Single Sourcing Recommended by:	Supported and Approved by:
Purchaser's Name _____	Head of Service/Curriculum _____
Signature _____	Signature _____
Title or Position _____	Title or Position _____
Date _____	Date _____

Section 2 - Procurement Manager Completion

Justification Accepted Justification Challenged

Comments


Date: _____

Appendix 2

Project Strategy Form

To be completed in conjunction with the Procurement Section for tenders >£50k

Lead College Representative			
Lead Department			
Extension No			
Evaluation Panel	Name	Department	
Title of Purchase			
Description			
Budget			
Value of Contract	Annual	Total Value (Annual x Duration)	
Contract Duration			
Current Contract (if applicable)	Supplier	Expiry Date	Value of Annual Spend
Reason for project e.g. current contract due to expire new requirement			
Process to progress tender e.g. stakeholder consultation involvement of other dept e.g. Facilities			
Market Research	e.g. no of suppliers, pricing strategy, services/product available		
Route to market	Use framework <input type="checkbox"/>	College Tender <input type="checkbox"/>	EU Tender <input type="checkbox"/>
Where EU tender, state process: Open <input type="checkbox"/> Restricted <input type="checkbox"/> Competitive Dialogue <input type="checkbox"/>			
Where framework available and not using – please provide reason			

Sustainability Test (completion required)	 Sustainability Test.xlsx
Any risks associated with project	
Any lessons from previous capital projects?	
Benefits and/or Anticipated Savings	
Contract Management Process e.g. quarterly review meetings KPI monitoring	
Project Implementation	Key Completion Date
Task	
Market Research	
Budget Approval	
Specification	
Tender Development	
Advertise Tender on Public Contracts Scotland (PCS)	
Tender Return	
Evaluation Period	
Tender Approval	
Supplier Appointment	
Contract Implementation (pre meeting, etc)	
Contract Commencement	
Contract Management	
Contract End	
Contract Revisit e.g. 6 month prior to end date	

Authorised by	
Name	
Job Title	
Date	
Any further action or comment:	

Appendix 3

See attached spreadsheet