



Cirencester College Procurement Policy

OWNED BY:	Finance Director					
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This policy has been updated in line with:

- Strategic Goal No 3 underpinning the 2022-2027 Strategic Plan requiring 'Good' or better annual financial health rating from the ESFA under **"3. To be a College of the future"**.
and
- New public procurement thresholds which came into force on 1st January 2022.

1. Introduction

Procurement is defined as the acquisition of goods, works and services and this policy details the approach to be taken by buyers within Cirencester College in order to obtain maximum value for money from everything we buy.

The management of the College has an obligation to ensure that all income, regardless of source, is expended wisely and in the best interest of the future direction of the College.

There is no specific department assigned responsibility in respect of all procurement within the College, with purchasing activities being undertaken in a variety of ways within academic and support functions. The Finance Director has senior management responsibility for procurement and the Procurement Officer provides day to day support to all buyers. The intention of the Procurement Policy is to set out the detailed processes to be used in order to achieve the key objectives contained in the Procurement Strategy.

Strategic Aims and Objectives

The strategic aims and objectives of this policy are to:-

1. Promote the delivery of value for money through good procurement practice.
2. Facilitate the development of an effective and co-ordinated purchasing effort within the College.
3. Control and analyse the College's non staff expenditure and apply appropriate procurement strategies to deliver value for money and reduce commercial risk.
4. Develop appropriate management information in order to measure the performance and value for money achieved by the College.
5. Embed sound ethical, social and environmental policies within the College's procurement function and to comply with all relevant UK Legislation in all aspects of College purchasing.

2. Authority to purchase

- All expenditure must be authorized, in advance, by the budget holder or other persons authorised by the budget holder who have been provided with a mandate to act on their behalf. The budget holder and authorised persons must be on the approved signatory list held in Finance.
- The budget holder is responsible for ensuring that all staff nominated as buyers are fully aware of all procurement procedures.

- There must be sufficient funds in the budget to cover the price of goods including VAT and carriage before a purchase can be made.
- Standard procedures must be followed.
- Budget holders and other authorised persons are not authorised to enter into any form of contractual commitment for the procurement of goods or services, whether written or oral and however transmitted in excess of their authorisation limits. In particular, contractual documents must not be signed. In this context a contractual document is any document that has or may have the effect of binding the College to procure and pay for goods and services. Support may be obtained from the Procurement Officer in the Finance Department before signature by an authorised Officer of the College.
- The budget holder will be held responsible for any goods purchased where standard procedure has not been followed. In this case the College may hold the individual personally responsible for payment of costs incurred.

3.Legislation - (updated for 2022)

New public sector procurement thresholds came into force on 1st January 2022 that apply to all public procurement by educational establishments under the Public Contracts Regulations 2015 (PCR 2015) and the Concession Contract Regulations 2016 (CCR 2016). The overriding principles are to ensure openness, transparency and equality of treatment.

Schools, academies, multi-academy trusts, colleges and universities are classified under the new Regulations as ‘Sub-central contracting authorities’ in respect of applying thresholds.

Thresholds applying to educational establishments are:

- £213,477 for goods and services,
- £5,336,937 for the procurement of works
- £663,540 for the procurement of a specific list of services found in Schedule 3 of the regulations (for Cirencester College – only exams or awarding bodies).
- These thresholds are now inclusive of VAT

Under <http://www.legislation.gov.uk/ukxi/2015/102/schedule/3/made>

These thresholds are in place from the 1st January 2022. If a contract, valued over the full duration of the contract (whole-life costs including optional extensions and the cost of ancillary services, maintenance, equipment or spare-parts) exceeds the new thresholds, it must be advertised under Find a Tender Service and on Contracts Finder before you can award the contract.

However, the College complies with the requirement by inviting bids under an existing pre-OJEU framework. These are frameworks set up by Purchasing Consortia such as The Crescent Purchasing Consortium (The CPC), the Crown Commercial Services (CCS) or Yorkshire Purchasing Organisation (YPO). The College is a member of these consortia and the Procurement Officer can advise on using these frameworks.

Best Practice

Even if the requirement does not go over the applying thresholds, it is important that all of the principles of openness, transparency and equality of treatment are always observed by the College in its own lower value procurements.

Suppliers should be treated fairly and with respect and the College's evaluating processes must be transparent to all parties.

4. Supplier selection

Before ordering goods the following procedures must be followed:-

- All **Capital** expenditure and **estates** related expenditure must be routed through the Finance Director who will be guided by College Financial Regulations see Appendix A.
- All **IT equipment** (Hardware and Software) must be ordered by the IT department.

The exceptions to this are printers and consumables which must be ordered through Reprographics and some data storage, e.g. memory sticks, SD cards etc. which should be ordered by Reprographics or the Procurement Officer.

- All **stationery** must be purchased from the College shop, situated in Reprographics.
- All **books** must be ordered by the library.

A book purchase request should be emailed by the budget holder to library.desk@cirencester.ac.uk or printed, signed by the budget holder and forwarded to library staff. It should be clearly indicate whether the books are course books to be held by the library, books to be kept in the library or books to be kept in the departments.

Departments are expected to pay for books held in the 'Course book collection' (textbooks lent out on a one-per-student basis at the beginning of the academic year) and for book kept in the departments.

All other library books will be purchased on the library budget.

- All **furniture** must be purchased through the Estates & Environment Manager.

All furniture requested must be sent to site services and will be funded from the Site Services budget. Budget holders must not use their own budget allocation for the furniture purposes.

- All orders that could be used cross college or consolidated with another order should be ordered through the Procurement Officer.
- All suppliers to be paid on account must be on the preferred suppliers list. If not on the list, a new supplier application form will need to be obtained from the Finance office through finance@cirencester.ac.uk, completed and approval sought from the Finance Office. This is to ensure that the College receives any discounts available.
- Faculty Administrators, Reprographics and the Procurement Officer in the Finance Office can provide assistance.

5. Ordering goods and services

Shall follow the procedures outlined in Appendix A – Ordering goods and services procedures

6.Management Information

In order to measure the performance and value for money achieved by the College:

The Finance Department will:

- Keep a register of all orders placed between £3k and £50k. This will include copies of written quotes and written approval given by the Finance Director if the lowest quote is not used.
- Keep a tender register of all orders placed over £50k. This will include copies of all documentation.
- Keep a register of all contracts to allow regular reviews, to ensure targets and quality standards are being achieved, including dates for renewal thus allowing ample time for renegotiation.
- Keep a register of all capital expenditure.
- Perform regular reviews of all major suppliers to ensure they are still offering value for money.
- Perform regular reviews and analysis of the College's total procurement expenditure in order to identify trends on how much is spent, on what and with which suppliers to help inform development of procurement decisions.
- Monitor the use of credit cards as a method of payment to suppliers.
- Review key performance indicators to gain assurance that the College is achieving value for money in its procurement activities

All purchasing departments will perform regular reviews of their suppliers to ensure that they are providing value for money.

Appendix A

Capital and revenue expenditure Financial Regulations



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FINANCIAL REGULAT

Clauses **20.2** – Procurement and **20.3.1, 20.3.2** - purchasing limits of the Financial Regulations embedded above, directly refer to the majority of revenue and minor capital spends in the College.

Clause **20** of the Financial Regulations above will cover the generality of Capital and major purchases of over £50,000.

Appendix B

Petty Cash Regulations/ Expense Procedures

College staff who have spent their own money on purchases for the College under authorisation from their Head of School, Faculty Head or Service manager, can be reimbursed from Petty Cash, or they can include it on an Expenses pay claim which, if received by the Finance Office before appropriate payroll processing deadlines, will be included in that month's pay or the following month's pay.

Receipts must be signed by the budget holder or the budget holder's line manager, if it is the budget holder being reimbursed, along with details of the cost centre account code should be taken to Finance Office where a petty cash slip will be filled in, signed by the person receiving the money and the Finance Assistant and attached to the receipt.

If over £40 has been spent, in exceptional circumstances, instead of receiving payment through the payroll a cheque requisition form should be completed and returned to the Finance Office. The Finance Office aims to get payments to the payee within 2 weeks of receiving a correctly completed requisition form.

I.O.U.'s should only be used when a member of staff is making a purchase on behalf of the College NOT for personal expenditure. Once the purchase has been made the receipt (signed by the budget holder's line manager if it is the budget holder being reimbursed) plus any change should be returned to the Finance Office where a petty cash slip will be completed as above.

Floats required by staff for College events can be done as I.O.U.'s for amounts less than £50. Once the event is over the float should be returned separately from any income raised at the event. If over £50 is required a cheque requisition made payable to cash should be filled in. In this case the float can be included with any income raised at the event.

In exceptional circumstances I.O.U.'s may be issued to students if the loan is authorised by a budget holder on the understanding that the debt will be due on that Cost Centre if not repaid by the student. In this case the I.O.U. must be countersigned by the budget Holder and the Cost Centre stated.

All I.O.U.'s (except Site Management) must be signed by the Budget Holder or their authorised signatory.

Appendix C

1.1 Standard procedure

1.1.1 The College requires all authorised persons, irrespective of the source of funds, to obtain best value for money. Value for money is the optimum combination of lowest whole life costs, quality and fitness for purpose. The following factors should be considered:-

- purchase costs (including VAT if applicable);
- firmness of price (e.g. fixed or otherwise);
- Supplier history or quality rating
- foreign exchange risks and costs;
- terms of payment;
- commercial and legal risks;
- length of warranty or period of free maintenance
- running costs (e.g. spares, consumable items, fuel, water, electricity);
- the cost of any required building or services alterations - after consultation with Site Management;
- the likely sale or scrap value;
- the cost of safe decommissioning and end-of-life disposal;
- any relevant environmental, sustainability and social responsibility considerations;
- the cost of the procurement process itself, which should not be disproportionately high in relation to the value or importance of the subject matter

1.1.2 For all orders placed on account using a suppliers website an authorised copy of the order, signed by the budget holder must be forwarded immediately to the Finance Office.

1.1.3 All items purchased using the College credit card must have an authorised order attached to the statement for reconciliation.

1.1.4 For all other orders a Purchase order requisition form should be completed and emailed to Finance and an official order will be raised.

1.1.5 College standard terms and conditions are to be included with all orders. The Procurement Officer in the Finance Department will assist with this requirement.

1.1.6 Personal credit cards should only be used for the purchase of goods to be used by the College in exceptional circumstances. Purchases should be authorised in advance by the budget holder.

1.1.7 Special ordering arrangements apply to the Refectory as many supplies have a limited shelf life. Orders can be placed by telephone by the Refectory Manager. The invoice and goods received note must be checked, signed by the Refectory Manager and then passed to Finance for payment.

1.1.8 All invoices received by departments must be sent directly to the Finance Office for registering.

1.2 College Order Threshold guidance

1.2.1 Individual item over £1000

If the value of an individual item is greater than **£1,000** including VAT and delivery then it could be considered a Capital purchase and should be included in the Capital budget at the beginning of the year. A Capital Expenditure Authorisation form should be filled in and attached to the Purchase Order Requisition form. This must be approved by the Leadership Team before the purchasing process can commence.

Capital Expenditure form



capital_authorisation_form.doc

1.2.2 Orders below £1,000

For low risk, high volume orders e-procurement (supplier's websites) should be the preferred method of purchase. If the order is to be paid by supplier account the supplier should be on the approved supplier list.

1.2.3 Orders in excess of £1,000 but less than £3,000

The budget holder shall have the discretion to decide whether or not to obtain competitive quotes but value for money must always be achieved. The authorised order or invoice must be forwarded to finance for approval by the Finance Director or other authorised College signatory.

1.2.4 Orders in excess of £3,000 but less than £50,000

If the value of the goods is in excess of £3,000 but less than £50,000 the advice of the Procurement Officer should be sought to ensure that the College does not already have an approved supplier or other contractual arrangement for that type of purchase.

All orders should have 3 competitive quotes attached and require authorisation from the Finance Director or other authorized College signatory before processing.

See Appendix A for references to clause 20 of the Financial Regulations.

1.2.5 Orders in excess of £50,000

If the value of the goods is above £50,000 the budget holder must consult with the Finance Director on the form, preparation and presentation of a formal specification and form of contract. If the value of the goods is above the Public Sector Procurement thresholds then the ~~Q&A~~ tendering processes on approved purchasing frameworks must be followed.

See Appendix A for references to the Financial Regulations.

Equality

As with all College Policies and Procedures due care has been taken to ensure that this policy is appropriate to all employees regardless of race; sex; disability; age; religion or belief;

gender reassignment; marriage or civil partnership; pregnancy or maternity, sexual orientation.

The policy will be applied fairly and consistently whilst upholding the College's commitment to providing equality to all.

If any employee feels that this policy does not meet this aim please contact the College's HR Department.

Data Protection

When managing an employee's personal data information will be collected in accordance with the College's data protection policy. Data collected is held securely and accessed by, and disclosed to, individuals only for the purposes of information relating to this policy. Inappropriate access or disclosure of employee data constitutes a data breach and should be reported in accordance with the organisation's data protection policy immediately. It may also constitute a disciplinary offence, which will be dealt with under the College's disciplinary procedure.