INSTITUTE OF TECHNOLOGY TALLAGHT

CORPORATE PROCUREMENT PLAN

2016

Table of Contents

INTRODUCTION

1.1 Introduction

The Code of Governance of Irish Institutes of Technology 2012 requires the Institute to develop a corporate procurement plan (section 2.7.1 of the Code). The plan has been developed by the Senior Management team and has been reviewed by the Audit Committee of Governing Body.

A National Procurement Policy Framework is in place and it requires public bodies to include Procurement Management Reform as one of the key strategic policies and to develop and update Corporate Procurement Plans in accordance with current best practice. The Office of Government Procurement (OGP) was set up in 2014, as part of the Department of Public Expenditure and Reform. It operates in four key sectors (Health, Defence, Education and Local Government) and takes responsibility for sourcing all goods and services on behalf of the Public Service, as well as taking responsibility for procurement policy and procedures. Previously the Institute had used the support of the Education Procurement Service (EPS) based in the University of Limerick. This body is now the Education Hub for the OGP. Where the OGP has a framework in place for particular goods or services, the Institute is obliged to purchase under that framework, except where it can be clearly shown that we can procure those goods\services cheaper ourselves.

The objective of this plan is to outline IT Tallaght's commitment to efficient procurement practices as well as meeting the obligations under the Code of Governance and the National Policy Framework and in line with the Office of Government Procurement Guidelines.

1.2 Objectives

The principle objective of the National Policy on Procurement is to achieve greater value for money having regard to probity and accountability. In addition the Institute wishes to ensure that its policies and procedures help ensure that all purchasing is done in a strategic and co-ordinated manner and that the future purchasing needs of the Institute are addressed. While cost is a determining factor in value for money outcomes, other factors to be considered include quality, delivery times, level of services from supplier etc.

1.3 Policies and Procedures

Institutes of Technology are obliged to follow the national policies and procedures as set out in the National Procurement Policy Framework and the Office of Government Procurement (OGP).

For a summary of the decisions to be made in IT Tallaght before making a purchase please see the decision trees in Appendix 1.

Approved by Senior Management Team and the Audit Committee of Governing Body May 2016

1.4 Purchases Cycle Overview

Purchase orders are raised through the finance system Agresso and are approved by the budget holder. They are then reviewed by finance for coding errors and for reasonableness, prior to the orders being printed and posted\e-mailed to the suppliers. When the goods are delivered to stores or the receiving department, a Goods Received Note (GRN) is completed in Agresso and these are printed and forwarded to the creditors section in finance. As invoices are received in finance from the suppliers, they are matched to the GRN's, posted and paid through Agresso.

1.5 Budgets

Each department\function is awarded a non-pay budget for the calendar year and this amount is allocated to their cost centre (sub-account) in Agresso. As orders are placed by the department\function, they are checked against the budget amount less any invoices already posted and other orders placed but not yet matched to invoices for the department\function. Agresso will not permit orders to be saved in the system where the value of the PO exceeds the available left-to-spend budget. Budgets are agreed on a calendar basis and input to Agresso on a periodic basis to ensure that there are sufficient funds available to the department\function for the whole calendar year.

2. CURRENT SPEND PROFILE

For the year ended 31 August 2015 approximately €5.9m (excluding capital) was spent on goods and services with approximately 650 suppliers. The Institute processed approximately 6,300 invoices for the year. A full breakdown of spend by expense category is provided in Appendix 2.

3. FUTURE PURCHASING NEEDS

It is planned to award tenders for the following during calendar 2016:

- Medical Services – own tender
- Audit and Accounting Services –Framework mini-tender
- Electrical Services – own tender
- Design Services – own tender
- Printing Services – Framework mini-tender
- Chaplaincy Services – own tender
- Moodle Support\Services – own tender
- Meeting Manager Software – own tender
- General Maintenance – own tender
- Regular Route Bus Service – own tender
- Ad hoc bus services – Framework mini-tender
- Professional Cookery Course –food supplies –own tender

4. STRATEGIES TO ACHIEVE VALUE FOR MONEY OBJECTIVES

Approved by Senior Management Team and the Audit Committee of Governing Body May 2016

The responsibility for achieving value for money lies with all staff of the Institute and does not rest solely with those who have financial responsibility. This applies to all spending regardless of the source of funding. All budget holders have a responsibility to ensure that best practice is followed in their own areas and that both they and their staff are aware of and are implementing all updates, in particular that they are aware of all new and upcoming frameworks from the OGP. The Audit Committee of Governing Body needs to be satisfied that the Institute has adequate structures in place to promote economy, efficiency and effectiveness in its procurement practices as well as ensuring that the guidelines from the OGP are being adhered to.

The Institute has the following key contracts in place, arranged by the OGP\EPS

- Stationery
- Legal Services
- Laboratory Supplies
- Electricity
- Gas
- Cleaning
- Security
- PC's, Notebooks, Tablets
- Various Computer Services Contracts
- Investigation Services
- Insurance Brokerage Services
- Library Journals

The following key operating expenditure contracts are in place which were run by the Institute through E-Tenders

- Crèche Operation
- Marketing Services
- Landscaping Services
- Various Computer Service Contracts
- Mechanical & Engineering Building Maintenance Services

The above excludes capital purchases which do not fall under the remit of the OGP.

Each tender is allocated a unique number by the Information Officer, who maintains a database detailing the date of issue of the tender, the successful contractor, value of contract, review date and expiry date.

5. CONCLUSION AND STRATEGY

The Institute has taken a number of measures to ensure its compliance with both the National Procurement Framework Guidelines and the Office of Government Procurement Guidelines.

Approved by Senior Management Team and the Audit Committee of Governing Body May 2016

- Liaison with the Office of Public Procurement (OGP) officials to ensure that we have a better understanding of the processes, roles and responsibilities which both the OGP and the Institute have in the procurement cycle.

- Issued new guidelines for staff involved in procurement activities in the Institute and provided training in same.

- Establishment of a manual tracking routine to identity the purchase costs of goods\services which have the potential to exceed the thresholds.

- Currently procuring a bespoke system to track procurement activities and to act as a central repository for all procurement documentation. This will enable better compliance with the thresholds as well as ensuring that all documentation is available for compliance auditing.

Appendix 1 Procurement Decision Tree

PROCUREMENT DECISION TREE

PP - Procure Point

Is there a Framework that covers your purchase?

Yes (OGP / EPS Activity) → Operate within Framework (SEND PSR to support@OGP.ie) OR EXPLAIN

No (Follow local Activity) ↓

Have you obtained Local approval for the value of your spend?

Yes → (back to Framework)
No ↓

Expected Annual Contract Value

Less than €5K
- Obtain verbal quotes from competitive supplier(s)
- Select lowest price / most suitable

€5K - €25K
- Draft Specification Document (including measurement Criteria) load to PP
- Send specification by email to 3 suppliers seeking written quotes (save email communications and load to PP)
- Save all responses to PP
- Evaluate offers against specified requirements and measurement criteria (using a scoring sheet), sign outcome, scan and load to PP
- Notify/debrief successful & unsuccessful bidders - Save notifications to PP
- If there is a resulting contract - save Contract to PP (note no contract is required for simple offer and acceptance to supply single purchase)

Greater than €25K
- Draw up Tender Documentation & Set basis for award (Lowest price/MEAT). Record eTenders number in PP.
- Advertise on e-tenders
- If MEAT, evaluate tenders using weighted scoring sheet based on award criteria (including price)
- If Price is basis for award, select lowest compliant
- Select Highest Scoring Tender (Print, sign and scan scoring sheet saving to PP)
- Notify/debrief successful & unsuccessful bidders - Save notifications to PP
- If there is a resulting contract - save Contract to PP (note no contract is required for simple offer and acceptance to supply single purchase)

Note Procure Point is the bespoke system currently being developed.

Appendix 2 Expenditure for 2014/15 by Category

Below is an analysis of total expenditure for the year ended 31 August 2015 of €6.9m. Of this, €5.9m relates to creditor transactions.

Analysis of IT Tallaght Spend in 2014/15

Materials and Other Consumables	321
Research Expenditure and Supports	679
Student Medical Services	53
Subvention to Student Union	96
Sports office	181
Chaplaincy	61
Exam Costs	78
Crèche	96
Other Student Services Costs	59
Computer Software Maintenance and licences	380
Sub-Contracted Services	737
Light Heat and Power	588
Repairs and Maintenance costs	262
Printed Material, Books and Periodicals	175
Travel and Subsistence	248
Printing, Stationery, Postage and Other Office Expenses	686
Rent, Rates and Insurance Costs	713
Recruitment, Training etc	165
Audit Fee	31
Consultancy Costs	436
Equipment (non-capitalised) purchases and maintenance	166
Student Scholarships	230
Application Processing Costs	85
Conferring Costs	43
Fees to Examining Bodies	57
Prizes and Awards	68
Other Expenses	197
Total	**6,891**

Approved by Senior Management Team and the Audit Committee of Governing Body May 2016