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Policy Number: FIN 005/03/ Revision No: 3

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<tr>
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Written by: Michael Henehan, Secretarial Governance and Compliance Manager and Mary Feighney, Procurement Officer

Approved by: Brendan McCormack
President

Approving Authority: Governing Body

Head of Function responsible: Brendan McCormack, President

Reference Documents:
- ITSLIGO Corporate Procurement Plan
- IT Sligo Procurement Policy
- IT Sligo Procurement Procedures
- Government Procurement Circulars
- National Public Procurement Framework 2019

Revision History

<table>
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<th>Revision No</th>
<th>Description of Change</th>
<th>Issue Date</th>
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<tr>
<td>0</td>
<td>New Plan (Policy)</td>
<td>23/09/2013</td>
<td>Approved by Exec Committee</td>
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<tr>
<td>1</td>
<td>Periodic Review following Procurement Plan and Policy</td>
<td>24/02/2017</td>
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1. Introduction
1.1. IT Sligo Procurement Mission Statement, Values and Goals

Mission Statement

IT Sligo is committed to operating its procurement under the national procurement model which has a number of mechanisms in place to facilitate Public Sector organisations value for money and efficiencies in their procurement. These mechanisms include but are not limited to framework agreements and drawdowns. In instances where the national procurement model does not have a mechanism in place for a particular purchase (framework/drawdown), it is the intention of IT Sligo to comply with the relevant Public procurement guidelines available from the OGP website.

Values
IT Sligo’s values applied in procurement include professionalism, honesty, integrity, consistency and openness in our dealings with staff and suppliers.

Goals
IT Sligo’s goal in procurement is to achieve optimum value for money when resources administered by the Institute are used to procure required goods and services the procedures followed in reaching this goal must be in accordance with best professional procurement practice and ethical codes of conduct.
2. **Objectives**

2.1. **Corporate Procurement Plan Objectives**

The CPP\(^1\) is a key tool in facilitating the national procurement model in identifying procurement priorities.

Through the OGP and the four key sector procurement functions (Health, Defence, Education and Local Government), the Public Service speaks with "one voice" to the market for each category of expenditure, eliminating duplication and taking advantage of the scale of public procurement to best effect. This move is in line with best practice in the public and private sector and is part of the continuing reform programme being driven by the Department of Public Expenditure and Reform.

The objectives of IT Sligo's CPP and how they will be achieved are set out in the table below:

<table>
<thead>
<tr>
<th>Objective</th>
<th>These objectives will be achieved in a number of ways including</th>
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<tbody>
<tr>
<td>• achieve efficiencies and cost reduction through the procurement process;</td>
<td>• by taking a strategic approach to procurement;</td>
</tr>
<tr>
<td>• achieve the HEI strategy by aligning Institutional objectives and procurement requirements</td>
<td>• by ensuring compliance with all relevant policies and procedures;</td>
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<tr>
<td>• increase the proportion of spend with contracted suppliers drawn from national frameworks;</td>
<td>• by budget holders engaging with the OGP for their procurement solutions; and</td>
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<tr>
<td>• ensure compliance with all relevant policies and procedures;</td>
<td>• by informing budget holders of the framework agreements and contracts that are available.</td>
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<td>• enhance leadership, governance, awareness and skills within the procurement function;</td>
<td>• by providing appropriate and periodic training to budget holders on procurement policies, procedures and best practice; and</td>
</tr>
<tr>
<td>• support an efficient devolved procurement function within departments [where appropriate];</td>
<td>• by engaging budget holders with the development and implementation of the Corporate Procurement Planning process.</td>
</tr>
<tr>
<td>• deliver a common, corporate process of strategic sourcing, supplier relationship development and contract management</td>
<td>• by establishing and assigning clear roles and responsibilities;</td>
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\(^1\) The requirement to have a Corporate Procurement Plan (CPP) was set out in the National Public Procurement Framework 2005.
<table>
<thead>
<tr>
<th>Objective</th>
<th>These objectives will be achieved in a number of ways including</th>
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<tbody>
<tr>
<td>that supports the national procurement model;</td>
<td>• by completing the Multi-Annual Procurement Plan (MAPP) (Appendix 1) and sharing it with EPS;</td>
</tr>
<tr>
<td></td>
<td>• by complying with the processes set out in the national procurement model;</td>
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<td></td>
<td>• by developing supplier relationships and monitoring the quality and delivery of goods and services; and</td>
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<tr>
<td></td>
<td>• by reference to guidance in sections 3 and 4.</td>
</tr>
<tr>
<td>• continue a category management approach to procurement across the institution;</td>
<td>• by aligning (where possible) the general ledger and the category management approach to procurement; and</td>
</tr>
<tr>
<td></td>
<td>• by adopting a consistent approach to procurement and the raising of purchase orders on the finance system;</td>
</tr>
<tr>
<td>• support the Department of Public Expenditure and Reform (DPER) by implementing their strategies such as the national Procurement model in an effort to increase procurement efficiencies and e-invoicing to further enhance efficiencies and value for money.</td>
<td>• by utilising the procurement solutions and guidance put in place;</td>
</tr>
<tr>
<td></td>
<td>• by implementing a multi-annual procurement plan (refer Appendix 1);</td>
</tr>
<tr>
<td></td>
<td>• by implementing e-invoicing; and</td>
</tr>
<tr>
<td></td>
<td>• by sharing feedback with the OGP on areas of potential improvement.</td>
</tr>
</tbody>
</table>
3. Structure of Procurement within the HEI

3.1.1. Structure of Procurement within IT Sligo

Procurement is performed by the staff of the area with the identified need. Budget holders must identify the procurement need and the potential cost of that need. They must also establish a budget exists to cover this cost prior to undertaking procurement in compliance with the OGP procurement model.

The procurement section will advise on completing tender competitions and otherwise performing procurement however, the budget holder and/or their staff are responsible for performing the procurement.

3.1.2. Role of Central Procurement section

The central procurement section will advise and assist in the completion of documents for publishing as a part of tender competitions (using templates) and will otherwise review purchase orders raised and spend generated to ensure procurement is being conducted in accordance with the OGP procurement model.

The central procurement section will also seek to improve and assist procurement in the Institute by sourcing and providing relevant training courses for staff, by providing advice and assistance on good procurement in as far as practicable, and by keeping up to date on national (OGP) frameworks that are available and government circulars and national procedures.

3.1.3. Role and responsibility of Budget holders

Of key importance regarding tenders is the development of the key specification and identification of the qualitative criteria by the budget holder and their staff.

It is the responsibility of the budget holder and each person involved in procurement to keep up to date on changes to procurement guidelines/thresholds, regulations, circulars and to implement them ensuring compliance with public procurement guidelines.

In order to achieve efficient procurement Budget holders and their staff should utilise the national procurement model and the frameworks where available for all procurement spend.
Budget holders should ensure that all relevant supporting procurement documentation (e.g. quotes, tenders) is retained by the Institute in accordance with the document retention policy to ensure that queries can be answered.

3.1.4. Procurement webpage

Links to webpages where relevant documents covering procurement in the public sector in Ireland may be found are at section 4 (Procurement Guidelines) below.

Information relating to procurement in IT Sligo may be found at

https://www.itssligo.ie/administration/procurement/

https://www.itssligo.ie/foi/publications/#paymentsover20k

3.1.5. Systems and Training

The Purchases cycle in the Institute commences with identification of a need which can only be satisfied through procurement. Procurement then progresses in line with the Institute’s policies and procedures and national and EU regulations and guidelines and a supplier is appointed.

Thereafter purchase orders are raised through the Agresso Financial Management System which are approved by the budget holder. They are then reviewed by Finance Office staff for coding errors and to ensure that the Institute’s procedures have been followed, prior to the orders being printed and posted/e-mailed to the suppliers. When the goods are delivered to the receiving department, a Goods Received Note (GRN) is completed in Agresso. As invoices are received in Finance from the suppliers, they are matched to the GRN’s, posted and paid through Agresso.

The Procurement section in conjunction with the Finance Dept will seek to develop the Institute’s systems, to monitor procurement and compliance with IT Sligo’s policies and procedures and national and EU regulations and guidelines, in order to achieve compliance with all regulations, and to obtain the best value for money and identify and manage risks.

Training and staff development in good procurement and methodologies will continue for all staff who have responsibilities in procurement (procurement section staff as well as budget holders and their relevant staff) as part of their role within departments in order to strengthen the level of competencies and skills of procurement practitioners. Topics such as the following will be covered:

- How to operate under the national procurement model;
3.1.6. Key areas of concern / Common issues / Lessons Learned

The sections below are areas of importance that have caused concern and the OGP would like to draw these to everyone’s attention.

3.1.6.1. Procurement Support Request (PSR)/Supplementary Request for Tender (SRFT)

- Staff in the Institute should complete the PSR/SRFT\textsuperscript{2} process and communicate with the OGP Customer Service Helpdesk in a timely basis [refer to the OGP Framework time matrix], this commences the procurement process;

- The responsibility for sourcing goods/services is with the OGP or the sector Hub other than where PSRs are returned for self-procurement where the responsibility will revert to the Institute to procure;

3.1.6.2. Contract Management

- Whilst there is a contract template available (contact OGP Customer Service Helpdesk), responsibility for creating, signing and management of the contract rests with the Institute, this includes the identification of key performance indicators (KPIs) that should go into the contract;

- As a general rule, contracts with suppliers should be utilised where possible, in an effort to develop efficiencies in procurement. When considering procurement, the long term (3 or 4 years) and aggregation for the supply of the goods/services should be considered rather than addressing the immediate supply need;

- When utilising an OGP Framework Agreement or an OGP drawdown solution, a contract needs to be put in place with the supplier and the responsibility for this rests with the Institute. The OGP Customer Service Helpdesk can advise on the procedure to follow; and

- Ongoing monitoring of the contract by budget holders is important to ensure agreed services and performance levels are delivered and rates are being applied by the supplier.

\textsuperscript{2} These can be located on the OGP website or through the OGP Customer Service Helpdesk
3.1.6.3. Supplier Relationship Development

- Strong relationship management with suppliers is vital to ensure the smooth and efficient management of contracts. Management of supplier relationship forms an important part of the contract management process and best practice dictates that it should be operative for all contracts especially where the nature of the goods or services supplied are recurrent.

- Meeting with the supplier will facilitate both parties to set out their requirements and expectations to ensure the required goods and services are provided as and when required. If not already formally documented as part of the tender or service level agreement (SLA) process, they should be documented to facilitate ongoing monitoring of the supplier delivery of the goods/service contract.

- Periodic meetings with the supplier will provide both parties with an opportunity to raise issues to enhance the quality of service being provided. These should be documented and shared with the supplier and should include any agreed actions to be taken. They will also assist in building a relationship with the supplier.

- At least annually, a formal review of performance management should be undertaken against the criteria set out in the tender document and/or SLA to evaluate the quality, service and value for money being obtained. The output of the performance review should support the decision to continue the contract (where appropriate) or to initiate a new tender process where appropriate.

- Where contracts are part of a Framework Agreement or a Drawdown solution put in place through the OGP, it is also important that output from monitoring the contract delivery is made known to the OGP through the Customer Service Helpdesk.

3.1.6.4. Higher Education Representation in the National Procurement Model

- When requested by the OGP/EPS, the Institute has a responsibility to provide representation:
  - to category councils on behalf of education to develop category strategy; and
  - to sourcing teams to evaluate potential framework bidders.
## 4. Procurement Guidelines

Set out below is a list of reference documents to assist you with your procurement.

<table>
<thead>
<tr>
<th>Guidance Source</th>
<th>Detail</th>
</tr>
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<tbody>
<tr>
<td>gov.ie - Circulars (<a href="http://www.gov.ie">www.gov.ie</a>)</td>
<td>Department Circulars are issued relating to procurement by the Department of Public Expenditure and Reform and previously the Department of Finance. These circulars are also available through the eTenders website below.</td>
</tr>
<tr>
<td>eTenders</td>
<td>This website is a central facility for all public sector contracting authorities to advertise procurement opportunities and award notices.</td>
</tr>
<tr>
<td>Office of Government Procurement</td>
<td>This website provides access to the Buyers Zone which lists the framework agreements and the drawdown arrangements that are in place and which should be used where appropriate.</td>
</tr>
<tr>
<td>Public procurement guidelines</td>
<td>These guidelines should be followed where the OGP does not have a procurement mechanism in place for the particular purchase being made. The latest version of this document can be found in both the OGP website and the eTenders websites. This document has a number of valuable resources included.</td>
</tr>
<tr>
<td>National Public Procurement Policy Framework 2019</td>
<td>This document set out an overarching policy objective for public procurement. It set out the aims of national public procurement policy, including the requirement to give practical expression to it in a corporate procurement plan.</td>
</tr>
<tr>
<td>Institute of Technology, Sligo policies and procedures</td>
<td>Policy on procurement Procedure on procurement <a href="#">IT Sligo Procurement</a></td>
</tr>
</tbody>
</table>

It is the responsibility of each person involved in procurement to keep up to date on changes to procurement guidelines/thresholds, regulations, circulars and to implement them ensuring compliance with public procurement guidelines.
5. Corporate Procurement Plan timing, retention and distribution

5.1. Corporate Procurement Plan Format

The Corporate Procurement Plan (CPP) document will be in two parts as follows:

The CPP
The CPP sets out the Institute’s mission, values and objectives in respect of procurement and its commitment to compliance with the centralised national procurement model. The plan sets out how the Institute plans to achieve these and sets out the roles and responsibilities of staff involved in the procurement process.

Appendix
The Multi-Annual Procurement Plan has the analysis of anticipated procurement requirements by year/category and spend. The appendix will be sent to EPS for their analysis of future public sector procurement requirements.

5.2. Timing

The Corporate Procurement Plan and the Multi-Annual Procurement Plan should be completed no later than 1st November 2018. The Multi-Annual Procurement Plan should be submitted to EPS by no later than 1st November of each year thereafter. EPS will aggregate requirements across the Education sector and provide the OGP with a detailed list of the future requirements over a three-year period. The timing of the Multi-Annual Procurement Plan will facilitate the completion of our ‘Start of Year’ ICT related expenditure requirements, under DPER Circular 02/2016.

5.3. Retention

The Corporate Procurement Plan is available in the Policies section of the Institute document library where staff have online access to it. Finance - All Documents (itsligo.ie)

5.4. Distribution

The appendices to the Plan will be distributed to the following:

- Internally
  - All budget holders; and
  - All staff involved in procurement.
- Externally
  - Head of Sourcing, Education Procurement Services.

Once the information is collated by EPS, the information will be made available to the OGP for planning and operational purposes.
On request (during a review/audit etc.), the Corporate Procurement Plan and appendices will be made available to the HEA, DES and the C&AG for a compliance and governance oversight perspective.

6. The Multi-Annual Procurement Plan

To inform the Multi-Annual Procurement Plan (MAPP) (Appendix 1) of the Institute, a number of tools have been applied - a review of the historical spending profile, identification of high volume/low value procurement transactions, a review of future procurement requirements aligned to the annual budget and procurement in relation to the longer term strategic plan of the Institution. This also includes procurement in relation to grants of funding, philanthropic and research funding.

During the year, institutional/faculty priorities may change resulting in changes to procurement priorities. These changes should be notified to the Procurement section to ensure the MAPP remains relevant and up to date.

All items with a projected cumulative spend of €25,000 over the 3-year period are included in the MAPP.

In addition to the above, circular 02/2016 indicates that ICT related spend take into account the whole of life cost and must estimate any potential cost for any associated or follow-on projects.

6.1. Historical Spending Analysis

The purpose of the spend analysis is to:

- Inform the drafting of the MAPP
- Support the high level strategies for the identified categories of spend
- Identify opportunities for improvement in terms of saving costs
- Identify opportunities for working in a more efficient manner
- Identify a number of Key Performance Indicators that can be used to monitor and review the impact of implementing the MAPP

To inform the drafting of the MAPP, 3 years historical spend records have been analysed to identify:

- Categories of spend; and the
- Amount of spend by category.

The output of the above analysis identifies the purchases that have been made over the last 3 years by product group, product code description and name of product and this information has been input into the template in Appendix 1 (vat excl).

Taking the information now populated in Appendix 1, the following was then undertaken:

- Establish how the goods/services are procured (e.g. OGP Framework, OGP Drawdown, Mini-competition, HEI own arrangement);
• Identify purchases of key importance either by difficulty to acquire, risk or criticality;
• Identify the incumbent suppliers providing the goods/service
• Identify the contract renewal date;
• Identify where appropriate who is responsible for each procurement / contract renewal

6.2. Analysis of High Volume / Low Value Purchases
By identifying purchases that are of low value but high volume across the Institute, it may highlight potential areas where procurement could be more efficient. The purpose of this analysis is to identify if there is a more efficient way to procure those goods and services. So the steps undertaken were to:
• Extract a report identifying all purchase invoices by product group, product code description and supplier;
• By product group, product code description, identify the number of transactions and the total spend by supplier;
• Populate the details into the spreadsheet in Appendix 1 including the number of POs raised.

6.3. Review of Future Procurement Requirements
Having completed the historical analysis, budget holder for each school/function should be provided with the template and asked based on the completed budget for their business relationship areas to identify the future procurement requirements for their areas. These procurement requirements should be aligned to the annual budget for the coming year, projected procurement requirements for a further 2 years in addition to being aligned to the Institute’s Strategic Plan as follows:

• Using the past analysis of spend by product group, amend to reflect projected procurement requirements for the next three years;
• Identify purchases that were ‘once off’ or that do not require renewal;
• Identify any new Goods / Services to be procured over the next three years either on a recurring basis or purchases of a once off basis (including proposed research related purchases);
• Identify purchases of key importance either by difficulty to acquire, risk or criticality;
• The anticipated cost per annum of the Goods / Services to be procured; and
• The month and year the Goods / Services will be required if not already a recurring procurement requirement and document if there is a particular timeline that has to be met.

Once this information is collated from each Executive area, it will then be collated on behalf of the Institute.
6.4. **Ongoing evaluation of procurement requirements**
Reports from the Financial Management System (Agresso) will be reviewed periodically to identify breaches or potential breaches of thresholds. Arising from this review and identification of issues more appropriate procedures will then be deployed in specific instances.

7. **Setting Institute Targets and Key Performance Measures**
The Institute's main targets in procurement are:

1. To ensure that the Institute's operations are not negatively impacted by either a failure to procure or a failure to procure effectively
2. To achieve value for money in procurement across its operations
3. To use its resources effectively in procurement
4. To be seen by suppliers as fair and professional in the way it procures
5. Compliance with the code of governance in undertaking procurement (including compliance with national and EU procurement regulations).
6. To minimise risk to the Institute.

Clean audit reports from the Comptroller and Auditor General and the Institute's Internal Auditor are the strongest KPIs in this regard.

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**Appendices**

*Appendix 1 Multi-Annual Procurement Plan*
Appendix 1 Multi Annual Procurement Plan Template

This Multi-Annual Procurement Plan (MAPP) is to be completed and updated on an annual basis. The Plan is based on projected procurement for a rolling three-year period. All items with a projected cumulative spend of €25,000 over the 3-year period are included in the MAPP. The Plan once completed is to be submitted to the Education Procurement Service. Also there may be instances where the volume of procurement transactions is high but the value is less that €25k and placing such procurement under a Framework may provide efficiencies throughout the Public Sector. In addition to the above circular 02/2016 indicates that ICT related spend take into account the whole of life cost and must estimate any potential cost for any associated or follow-on projects. When completing this schedule if guidance is required refer to the Institute’s Corporate Procurement Plan in the first instance. For guidance on the category of spend, please contact the OGP Customer Services Support Helpdesk. The Institute may add additional columns to this spreadsheet for internal monitoring purposes, however, only these columns are required to be sent to the Education Procurement Service for collating. The MS Excel template for this schedule will be available on the procurement section of the HEA and DES websites or by contacting eps.mail@ul.ie.

For queries relating to the completion of the Multi Annual Procurement Plan, please contact: [insert HEI contact details]
* The Estimated Annual Contract Value figures **do not** include VAT.

*Please see attached spreadsheet for details of IT Sligo’s current MAPP*