



Purchasing Policy

1. Purpose

1.1 This policy sets out the legal framework within which all procurement in Newbattle Abbey 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, but 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 purchasing procedure that must be followed at all times. An authorisation form approved by a Senior Manager must be used for all purchases.

2. Policy

All purchasing activity in Newbattle Abbey 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 purchaser must demonstrate propriety and due diligence at all times during the purchasing process.

3. Scope

3.1 This policy applies to all staff working on behalf of Newbattle Abbey College.

3.2 This policy should be read in conjunction with the College Equality Diversity & Inclusion Policy and its separate Disability, Race and Gender Equality Schemes.

4. Responsibilities

4.1 The Administration Manager is responsible for managing and updating this policy.

4.2 The Senior Management Team is responsible for ensuring that College Management adheres to the policy.

4.3 The College Management Team is responsible for the effective operation of this policy within their department/faculties.

4.4 The Administration Manager is responsible for the day-to-day management of all records associated with the purchasing process.

4.5 The Bookkeeper is responsible for receipting invoices, by matching the invoice to the purchase order/goods received note and arranging payment to suppliers.

4.6 Staff who have purchasing authority must adhere to the standards of ethical behaviour and due diligence during their procurement activities.

4.7 All Newbattle Abbey College staff are responsible for following these policy guidelines.

5. Thresholds

Value	Action
< £1,000	Telephone or Written Quote
£1,001 to £2,500	Minimum 2 Written Quotes
£2,501 to £15,000	Minimum 3 Written Quotes
£15,001 to £50,000	Minimum 3 formal tenders sought
£50,001 to £99,999	Formal tenders sought
£100,000 to £139,892 (€206,000)	3 formal tenders sought
> £139,893 (€206,000)	*EU Regulations

* Check current EU Regulations value prior to tendering.

EU rates shown effective from 31 January 2008

6. Standard Purchasing Procedure

6.1 Official Purchase Orders

All staff with appropriate authority to raise POs are individually responsible for ensuring that all orders are processed through Newbattle Abbey College's authorisation form process.

6.2 Goods Receipting

The manager responsible for raising the order is responsible for receipting and matching goods received against the official authorisation form.

6.3 Services Receipting

When the supplier completes the service to the satisfaction of the requisitioner, the requisitioner will receipt the authorisation form.

6.4 Invoices

The invoice should be attached to the authorisation form and passed to the Administration Manager for approval payment.

6.5 Payment

Once the goods or services and invoice have been received, the Bookkeeper will make payment to the supplier.

7. Urgent Purchasing Procedure

7.1 Urgent Purchase Orders

When it is necessary to arrange urgent supply and there is no time to raise an authorisation form a verbal order may be given from a Senior Manager. This will primarily relate to work within the Estates Section for reactive maintenance.

8. Obtaining Quotes

Receiving quotations is a relatively straightforward exercise of seeking a price, and delivery time for goods and/or services that are easily specified. Requisitioners are responsible for obtaining, annotating on the procurement system and filing quotes and retain these for internal audit purposes.

9. Tendering Process

9.1 The objective for using a tender procedure is to obtain the best 'fit' and the best value for money (VFM). The goods/services shall be of the right quality, available at the right time, fit for their intended purpose and affordable.

9.2 For values in excess of £15,000, a minimum of 3 formal tenders should be sought. Formal tender are different from quotes because the College department should fully explain its requirements to tenderers and may often assess information other than price (such as CVs) before awarding work.

9.3 If the estimated value of the contract is in excess of £139,893 (£206,000), EC policy and procedures will need to be followed. Specifications should be sent to the Principal who will issue the tender using the most

appropriate route, in accordance with Public Sector Procurement directives. On receipt of tenders, these will be financially evaluated, then sent to the department for technical evaluation. Once the technical evaluation is complete, the results should be sent to the principal to conclude the award and notify unsuccessful tenders.

9.4 Where the tender interest is likely to be high, applicants may be required to complete a pre-qualification questionnaire in order to be considered. The questionnaire will require information on areas such as the applicant's company size, experience, technical abilities, CVs and company accounts. Each item from each company will be scrutinised and assessed against criteria that have been agreed in advance for the particular contract. This should include economic viability.

9.5 Invitations to tender consist of a letter and package of documents stating the College's terms and requirements. The package includes several sections.

9.5.1 Section 1

The bidder's declaration that he understands the College's requirements and his warranty that the bid is made in good faith; a form to confirm if the tenderer will not be able to comply with any of the College's requirements and the costed implication of any non-compliant bids. Finally, Parent Company Guarantee - The College needs to understand the relationship that the tenderer has with its parent or subsidiary companies, including who will perform the contract, who carries the power of decision making, and will the parent company take over the performance of the contract in the event of the subsidiary ceasing to trade.

9.5.2 Section 2

Comprises the College's general conditions of contract in the interests of protecting public money. Tenderers should not include their own terms and conditions when submitting tenders or bids.

9.5.3 Section 3

Comprises the price schedule. Where relevant and possible, the College will consider "whole life" costs of all purchases to determine what is good VFM. It is therefore very important that prices are

submitted in the same format as the College's schedule form, which will vary from contract to contract.

9.5.4 Section 4

The specification or "Scope of Work" contains the particular requirements of the contract. College staff will make this as clear, concise and unambiguous as possible. If you have to make assumptions in a tender, they should be clearly stated so that bids can be compared fairly on a "like for like" basis.

9.5.5 Section 5

Includes the Administration Instructions including a section for the tenderer to complete.

9.6 The evaluation of tenders should be performed by a small panel of College staff but may include experts from outside agencies or the Board (this is the Evaluation Team); the end user will always be included. Each panel member should evaluate the bids individually by reference to their own copy of the information before the group meets to discuss the bids and agree a final shortlist. Each member should start the evaluation with a different tender to ensure no tender is unfairly disadvantaged because it is particularly lengthy or brief. All tenders are scored and a shortlist is produced before prices are considered.

9.7 Where possible the likely dates for presentation should be included in the invitation to tender. Only short-listed tenderers are invited to present their tender to the Panel. At the presentation, marks are awarded for areas such as communication and their ability to work as a team. The scores are added to the ones awarded for the bid. It is essential for the College to ensure that the final contract agreed constitutes the best VFM possible and incorporates everything that has been agreed with the winning tenderer.

9.8 Any outstanding issues have to be clarified in writing and will be referred to in the Form of Agreement of the Letter of Acceptance that the tenderer receives at the end of the process. This will form part of the Post Evaluation Review.

9.9 Public Sector procurement rules and EC Regulations clearly forbid "Dutch Auctions" - where several tenderers are asked in turn to improve their offers or risk losing the contract on cost grounds.

9.10 The EC rules require that unsuccessful parties are offered a debrief, which is also encouraged as a matter of College policy. This should help the tenderer to submit better work in the future. No information can be given about any other bids, as this is commercially confidential.

10. Legal Obligations

10.1 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.

10.2 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.

11. Environmental Issues

11.1 These will affect each contract differently. Where possible, the College will draw the bidder's attention to any areas of particular environmental concern relating to the product or service being sought. Credit will be given where bidders show that they have taken any detrimental impact on the environment into account and minimised it as far as possible.

12. EU Tendering

12.1 There are specific rules relating to the timetabling of EU Procurement exercises, depending on whether the College chosen procedure is "Open" or "Restricted", and whether the marketplace has been previously advised of the probable likelihood of the tender within the forthcoming year by issue of a Prior Indicative Notice (PIN)

12.2 The College preferred method is to use the "Restricted" procedure.

12.3 Open Procedure - Anyone who makes an enquiry will receive a tender.

12.4 Restricted Procedure - An evaluation stage is set into the timetable to allow for the College's evaluation team to select a limited number of invitations to tender to be issued.

13. Breach of Policy

13.1 Any breach or non-compliance with this policy must, on discovery, be reported to the Administration Manager who may discuss the matter with the College Principal and/or other Senior Managers, as may be appropriate in order to determine the proper action to be taken.

14. Review of Policy

14.1 This Policy should be read in conjunction with the College's Value for Money Policy.

14.2 This policy should be reviewed whenever changes affect it or after 3 years, whichever is the earlier.

Amended from and with acknowledgement to Jewel & Esk College, Finance Director.

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