**Procurement basics**

**KEY POINTS TO REMEMBER**

**Endeavour to optimise value for money**
Demonstrated through competition as set out in Schedule 1 of the Financial Regulations

**A purchase order is required for all purchases over £100**
Don’t disaggregate spend to avoid – no order no pay for values in excess of this

**Be familiar with the Financial regulations**
Particularly the competition procedures in Schedule 1.

**If you have any questions just ask Procurement Services**

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**More from the Financial Regulations**

**Expenditure of £2m or above** requires the consent of the Planning and Resource Committee

Prior written consent not to follow competition procedures may be guaranteed through the Dispensation process (see over leaf)

**Advance payments** above £10,000 require Director of Finance approval

**Leasing** requires Director of Finance approval and cost benefit analysis

All Purchasing requires a specification

Products or services should only be purchased externally if no internal source is available

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**Schedule 1: The key rules**

<table>
<thead>
<tr>
<th>Total Value (before VAT)</th>
<th>Procedure for inviting offers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Framework Agreements</td>
</tr>
<tr>
<td>&lt; £1,000</td>
<td>Follow the procedures recommended by the Procurement Services for the agreement</td>
</tr>
<tr>
<td>£1,000 - £25,000</td>
<td>Three written quotes or written proposals, depending on complexity, risk and value of the purchase (see guidance in Procurement Procedures)</td>
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<tr>
<td>£25,000 - £50,000</td>
<td>Three tender submissions</td>
</tr>
<tr>
<td>&gt; £50,000</td>
<td>Procurement Services must be consulted/involved and agree the most appropriate procurement method</td>
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</table>

Where required goods are available, purchases up to £25,000 will be made via the Marketplace or under a Framework Contract. Other offers should not be sought, unless better value can be achieved elsewhere, in which case Procurement must be notified so that any price discrepancies and inclusion of the supplier on the Marketplace can be explored.

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**Authority to sign contracts**

Lies with Heads of Department for their own Department.

Contracts affecting more than one department can only be signed by one of:

- The Vice-Chancellor;
- A Pro-Vice-Chancellor;
- Head of School if all departments reside in the same School;
- The Registrar;
- Director of Finance;
- Head of Group Procurement

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For queries regarding this leaflet or training in general contact Finance Training on 01223 (7)66631
Dispensations

Written consent not to follow competition procedures only, does not grant permission to avoid the rest of Financial Regulations

- Still requires a specification and contract /purchase order
- Online dispensation form must be completed for audit purposes

Dispensations must be approved before making a commitment to the supplier!

If Total Value...
- under £50,000 requires Head of Department approval
- over £50,000 requires Head of Group Procurement approval

The following items are automatically granted a dispensation and there is no requirement to complete the form for formal approval.

- Attendance at specialist training courses only available from one provider
- Subscriptions/memberships of professional organisations
- Subscriptions to specialist journals
- Attendance at conferences organised by third parties
- Exhibition stands at events
- Purchase of heritage assets

More information

Procurement Services website
www.admin.cam.ac.uk/offices/purchasing

Framework contracts:
www.admin.cam.ac.uk/offices/purchasing/suppliers

Template documentation:
www.admin.cam.ac.uk/cam-only/offices/purchasing/forms

Contact us at
Procurement.services.enquiries@admin.cam.ac.uk
OR
Tel: 01223 332233

REASONS FOR A DISPENSATION

No suitable alternatives
Market previously approached for substantially the same item (and terms) and no suitable alternatives found.

Can only be performed by one contractor
The proposed contract is can only be performed by one particular contractor for technical/ artistic reasons or to protect its exclusive rights.

To ensure compatibility
For supply contracts only, where the goods needed to partially replace, or to add to, existing goods or an installation where using goods from a new supplier would mean technical incompatibilities or disproportionate technical difficulties in operating/maintaining the goods/installation

Contracts for purposes of study, research and development which are not for profit and where development costs will not be recovered

Extreme urgency - where underlying need brought about by unforeseeable events and it is impossible to comply with the normal timescales for awarding contracts. NB. The definition of ‘extreme urgency’ does not apply if we have failed to plan properly.

One-off opportunities
For supply contracts only, where goods for a very short time are available at a very good price, considerably lower than normal market prices.

Further training available

Modern Slavery Act
www.training.cam.ac.uk/fin/course/fin-comp-msa

Anti-Bribery & Corruption
www.training.cam.ac.uk/fin/course/fin-comp-abc

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