

## 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



## Schedule 1: The key rules

Total Value (before VAT)	Procedure for inviting offers		
	Framework Agreements	Marketplace	Other purchases
< £1,000	Follow the procedures recommended by the Procurement Services for the agreement	Only the price from the Marketplace required	Written price confirmation
£1,000 - £25,000			Three written quotes
£25,000 - £50,000		Three written quotes or written proposals, depending on complexity, risk and value of the purchase (see guidance in Procurement Procedures)	
> £50,000		Three tender submissions	
>£100,000	Procurement Services must be consulted/involved and agree the most appropriate procurement method		
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.			

## 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

### 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 Registry
- Director of Finance
- Head of Group Procurement



# 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

#### If Total Value...

- **under £50,000** requires **Head of Department** approval
- **over £50,000** requires **Head of Group Procurement** approval



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

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](http://www.admin.cam.ac.uk/offices/purchasing)

#### Framework contracts:

[www.admin.cam.ac.uk/offices/purchasing/suppliers](http://www.admin.cam.ac.uk/offices/purchasing/suppliers)

#### Template documentation:

[www.admin.cam.ac.uk/cam-only/offices/purchasing/forms](http://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](http://www.training.cam.ac.uk/fin/course/fin-comp-msa)

##### Anti-Bribery & Corruption

[www.training.cam.ac.uk/fin/course/fin-comp-abc](http://www.training.cam.ac.uk/fin/course/fin-comp-abc)