Procurement at the University
Quick Reference Guide

Good procurement decisions achieve value for money, are ethical, transparent and take account of sustainability, leaving a robust audit trail.

Procurement basics

KEY POINTS TO REMEMBER

Follow the Financial Regulations
Ensure that you follow the competition requirements in Schedule 1

A purchase order is required for all purchases over £100
Do not disaggregate spend to avoid this

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

If you have any questions just ask the Procurement Helpdesk

More from the Financial Regulations

Expenditure of £2m or above on capital items (inclusive of VAT) requires the support of the Planning and Resource Committee

Prior written approval not to follow competition procedures may be granted through the Dispensation process (see overleaf)

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

Leasing requires different levels of approvals and a business case, please contact Procurement Services for more information

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

Schedule 1: The Competition Requirements

<table>
<thead>
<tr>
<th>Total Value (before VAT)</th>
<th>Procedure for inviting offers</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; £5,000</td>
<td>Follow the procedures recommended by the Procurement Services for the agreement</td>
</tr>
<tr>
<td>£5,000 - £25,000</td>
<td>Only the price from the Marketplace required (for catalogue items)</td>
</tr>
<tr>
<td>£25,000 - £50,000</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>&gt; £50,000</td>
<td>Three tender submissions</td>
</tr>
<tr>
<td>&gt;£100,000</td>
<td>Procurement Services must be consulted/involved and agree the most appropriate procurement method</td>
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</tbody>
</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.

Authority to sign contracts

Heads of Departments can authorise Contracts that are only relevant to 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 Registrary;
• Director of Finance;
• Head of Group Procurement.

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For queries regarding this leaflet or training please contact the Procurement Helpdesk in the first instance.
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
- The 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 asset

More information

Procurement Services website
www.procurement.admin.cam.ac.uk

Framework Contracts:
www.procurement.admin.cam.ac.uk/suppliers

Information and Templates:
www.procurement.admin.cam.ac.uk/information

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/supplier
  - The proposed contract 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

Contact us at procurement@admin.cam.ac.uk
or
Tel: 01223 332233

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