

Board of Management Finance & Physical Resources Meeting

Date of Meeting	Wednesday 29 September 2021
Paper No.	FPRC1-H
Agenda Item	3.8
Subject of Paper	Revised Procurement Policy
FOISA Status	Disclosable
Primary Contact	Stuart Thompson, Vice Principal Corporate Services Deborah Fagan, Head of Procurement
Date of production	20 September 2021
Action	For Approval

1. Recommendations

The Board is asked to review and approve the revised Procurement Policy.

2. Purpose

To share recent updates in accordance with legislation references following BREXIT.
This also provided an opportunity for a complete refresh.

3. Key Insights

Updates and changes are as follows:

- Alignment with the Procurement Strategy
- Alignment with the Procurement Operational Plan
- Alignment with the Sustainability Strategy
- Changes to reflect our exit from the EU
- New sections:
 - Climate Change (Emissions Reduction Targets) (Scotland) Act 2019
 - Modern Slavery Act 2015
 - Signing Contracts
 - No PO, No Pay
- Threshold updated in line with Financial and Procurement Regulations

4. Impact and Implications

The revised policy ensures compliance with the following:

- Procurement Reform (Scotland) Act 2014
- Public Contracts (Scotland) 2015 Regulations
- Procurement (Scotland) 2016 Regulations
- Scottish Government Guidance
- Scottish Funding Council Guidance
- College Financial Regulations
- Climate Change (Emissions Reduction Targets) (Scotland) Act 2019
- Modern Slavery Act 2015
- Equality Act 2010
- Sustainable Procurement Duty



Procurement Policy

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Procurement Policy

1. Introduction

- 1.1. The Policy has been developed to provide a control framework to manage the College's procurement activity and ensure legislative compliance with the Procurement Reform (Scotland) Act 2014.

2. Purpose and Aims

- 2.1 The Procurement Policy will support the College values by:

- [Enhancing the Student Experience through procurement practises.](#)
- [Seek out professional development opportunities to enrich and enhance experience and capability of procurement practitioners.](#)
- [Work with external stakeholders to share best practise and deliver innovation and best value to the College.](#)
- [Work with internal stakeholders to communicate procurement policy and deliver innovation and best value to the College.](#)
- [Effectively manage Contracts to ensure continued value, monitor performance and minimal risk throughout the life of contracts for the benefit of the College and students.](#)
- [Ensure compliance with Policy and Procurement Legislation.](#)
- [Embed sound environmental, ethical and social policies within the College procurement procedures and to comply with Scottish, UK and other relevant legislation in performance of the sustainable procurement duty.](#)
- [Provide a fully functional ePurchasing System with professional support and guidance.](#)
- [Champion risk management ensuring that we effectively manage, monitor and control, where possible, relevant internal and external supply chain risks.](#)
- [Promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.](#)
- [Provide effective and efficient service on processing Purchase Cards transactions across the business.](#)
- [Eliminate non-compliant spend in line with the Board of Managements zero tolerance policy.](#)

- ~~Sustaining and further developing partnerships within the sector, with other publicly funded bodies, with professional bodies and appropriately with supply markets that will yield intelligence, innovation and deliver value to users of procurement services.~~
- ~~Working with internal and external stakeholders to deliver innovation and best value to the College.~~
- ~~Promoting the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.~~
- ~~Seeking out professional development opportunities to enrich and enhance experience and capability of procurement practitioners.~~
- ~~Working with the supply chains to ensure continued value, managed performance and minimal risk throughout the life of contracts for the benefit of customers and students.~~
- ~~Developing sound and useful procurement management information in order to measure and improve procurement and supplier performance conducted through fair and transparent processes.~~
- ~~Embedding sound ethical, social and environmental policies within the Institution's procurement function and to comply with relevant Scottish, UK and EC legislation in performance of the sustainable procurement duty~~

2.2 The Policy will support the College's key strategic priorities as set out within our corporate Strategic Plans and within the Procurement Strategy.

3. Scope

3.1 The Procurement Policy will ensure that the College comply with the Procurement Reform (Scotland) Act 2014, [Public Contracts \(Scotland\) 2015 Regulations, the Procurement \(Scotland\) 2016 Regulations and any other relevant legislation Directives, as well as](#) Scottish Government and Scottish Funding Council (SFC) guidance.

3.2 The College will create and maintain suitable Procurement Procedures that set out the manner in which the College will seek to achieve their procurement objectives, and prescribing how they will manage and control those activities.

4. Policy Statement

4.1 Ethical Standards

4.1.1 To maintain the highest ethical standards across the College, members of staff involved in procurement will:

- [Abide by the College Financial Regulations](#)
- [Abide by the College Fraud Prevention Policy](#)
- Abide by the College's Anti-Bribery & Corruption Policy
- [Abide by the College's Code of Conduct as well as the policy on accepting gifts and hospitality.](#)
- [Abide by the College's Modern Slavery Statement](#)

4.2 Separation of Duties

4.2.1 To ensure propriety, members of staff will perform different roles. These roles should never be carried out by the same person. The three key roles are therefore:

- The Budget Manager who ensures that the proposed purchase fully complies with the College's Procurement Procedures before authorising the purchase order.
- The member of staff who authorises the invoice for payment; and
- The member of staff who pays the invoice (Finance Office).

4.3 Duties under Equality Act 2010

4.3.1 The Public Sector Equality Duty (PSED) under the Equality Act 2010 states that (as a public authority) the College must, in the exercise of its functions (including procurement) have due regard to the need to:

- a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Act;
- b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics covered by the PSED are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation. The PSED also covers marriage & civil partnerships, with regard to section a) in employment.

4.3.2 To enable better performance of the PSED, the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 place specific duties upon authorities. Subsequently, the College will pay due regard to whether the award criteria of the agreement, and the contract conditions relating to the performance of that agreement, should include considerations to enable it to better perform the PSED. The College remains responsible for meeting their obligations under the various statutes even when an external contractor provides one or more of the College's functions. Members of staff involved in procurement will take account of the following key objectives when taking forward purchasing decisions:

- Ensuring all contracts are delivered in a way which is non-discriminatory, advances equality of opportunity and fosters good relations for the Colleges' staff, students, the general public, and businesses; and
- Ensuring that the goods, works, and services provided by contractors cater for all users' needs.

4.4 Sustainable Procurement

4.4.1 The Sustainable Procurement Duty

Members of staff involved in procurement as well as end-users will play an important part in meeting the Sustainable Procurement Duty by giving consideration to the environmental, social and economic issues relating to all regulated procurements and how benefits can be accrued, on a contract-by-contract basis by taking proportionate actions to involve SME's, third sector bodies and supported businesses in our procurement activities and in so doing benefit not only the College but the wider West Central Scotland.

4.4.2 Sustainable Development

Members of staff involved in procurement as well as end-users will play an important part in [integrating environmental and social considerations into the procurement process, with the goal of reducing adverse impacts upon social](#)

conditions and the environment, and thereby making valuable savings for the College and the community at large. meeting the Colleges' sustainable development objectives through the development and use of goods and services, which are environmentally preferable.—The related key sustainability objectives are:

- Utilisation of Scottish Government Sustainability Tools with our Project Strategies, identifying and embedding outcomes within supplier contracts to help support and deliver net-zero aims for the College and Scotland as a whole;
- Support and educate college staff in embedding sustainability and whole life costing within their requirements; and suppliers in delivering sustainable outcomes;
- Pursue community benefits throughout our supply contracts and develop an approach with our suppliers to facilitate investment in activities which are climate and socially responsible;
- Take account of climate and circular economy in our procurement activity by purchasing goods, works and services that seek to contribute to closed energy and material loops within the supply chain, whilst minimising or avoiding negative environmental impacts and waste creation across their whole life cycle;
- Contribute to the reduction of Scope 3 emissions in the College's value chain through the procurement of goods, works and services.

4.4.3 Members of staff involved in procurement as well as end-users will achieve these objectives by:

- Conserving resources (e.g. energy, water, wood, paper) resources, particularly those which are scarce or non-renewable - while still providing a safe and comfortable working environment;
- Reducing (and avoiding wherever possible) waste through re-use and recycling and by using refurbished and recycled products and materials where such alternatives are available;

- Phasing out of ozone-depleting substances and minimising the release of greenhouse gases, volatile organic compounds, vehicle emissions and other substances damaging to health and the environment;
- Wherever possible, request that suppliers propose 'ethically traded' products (guidance on including this must be obtained from the Procurement Department in advance of obtaining quotations/raising a Purchase Order).

4.4.4 Members of staff involved in procurement as well as end-users will be responsible for:

- Ensuring that local suppliers are not precluded from the Colleges' procurement supply chain;
- Ensuring that any products derived from wildlife such as timber and leather goods are from sustainable sources, and [comply with relevant international trading standard and rules such as CITES \(the Convention in International Trade in Endangered Species\)](#)~~comply with EC and international trading rules such as CITES (the Convention in International Trade in Endangered Species)~~; and
- Working with suppliers to promote awareness of the College's sustainability objectives.
- Taking into account the impact of waste and waste disposal prior to making a purchasing decision. If waste cannot be avoided, then value should be recovered from the waste and only if that is not an efficient solution should the waste be disposed of by means which minimise risk to the environment and to human health.

4.4.5 Procurement staff together with the internal stakeholder will complete a Sustainability Test within the Project Strategy document for all Regulated Procurements to analyse opportunities to maximise social, economic and environmental outcomes. This will highlight any areas that may require consideration from a CSR perspective.

4.5 The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019

4.5.1 The College is committed to climate and circular economy ambitions to improve environmental wellbeing. To assist in this commitment Procurement staff together with the internal stakeholders will;

- Leverage buying power when buying goods, services or works, to champion innovative, future-proofed solutions; enabling businesses and the Third Sector to engage in supporting our climate ambitions to deliver against our climate targets. By working with markets, we can stimulate the development of circular economy and low emission supply chains and solutions.
- Work collaboratively across departments to align climate-related policies, targets, milestones and supporting activities.
- Be climate literate and to have an appreciation of how contracting activity can support net-zero aims for the College and Scotland as a whole. Capturing and driving opportunities to contribute to climate change ambitions through procurement activity.

4.5.2 It is recognised that our external Supply Chain Partners make a significant contribution to carbon, therefore, the College strongly support engagement between budget managers and Procurement in the early development stages of projects to enable decisions on whether to buy; what we buy and how we buy.

Whether to buy: Academic and Support areas are encouraged to revisit and re-think their needs. Perhaps goods, services or works can be used for longer, refurbished or repaired. Consideration should be given to the residual value of goods which can be sold or donated.

What we buy: Specifications must consider the College's climate ambitions and targets. Consideration must be given to purchasing refurbished, repaired or pre-used, rather than new. Specifications must be future proofed to allow for refurbishment, remanufacture and repair, as well as supporting emerging technology.

How we buy: Budget managers and Procurement must actively support a strong focus on climate consideration, achieving a balance of economic, social and environmental outcomes. Additional focus must be placed upon whole life costing.

4.6 Modern Slavery Act 2015

The College is committed to measuring and actively monitoring that modern slavery and human trafficking is not taking place in any parts of its operation and supply chain. For further information relating to the College Modern Slavery Act Statement, see website:

<https://www.cityofglasgowcollege.ac.uk/modern-slavery-statement>

4.64.7 Supplier Relationships

4.6.14.7.1 Members of staff involved in tendering will ensure the process is carried out in an appropriate manner, consistent with this Policy and other associated College policies & procedures. This will include:

- Ensuring adequate and appropriate publicity is given to contract opportunities. This should normally involve, as a minimum, placing details of the tendering opportunity on the Public Contracts Scotland website;
- Ensuring that the College complies with the Procurement Reform (Scotland) Act 2014, [Public Contracts \(Scotland\) 2015 Regulations, the Procurement \(Scotland\) 2016 Regulations and any other relevant Directives, as well as Scottish Government and Scottish Funding Council \(SFC\) guidance](#);
- Ensuring that local suppliers, third sector bodies and supported businesses and Small to Medium Sized Enterprises (SME's) have equality of opportunity when bidding/tendering for College Contracts;
- Adhering to the Scottish Procurement Journey;
- Adhering to the College's Procurement Procedures.
- Providing feedback to those suppliers who were unsuccessful in a tender exercise; and
- Paying suppliers for goods and services normally within 30 days of receiving an invoice.

4.74.8 Value for Money

4.7.14.8.1 The following factors will be taken into account during procurement exercises to assist the College in achieving value-for-money:

- Right quality of product or service – Product Specification;
- Right quantity of product or service – Product Specification;

- [Climate and Circular Economy – Product Specification;](#)
- Products or services supplied at the right time – Source of Supply;
- Products or services supplied to the right place – Source of Supply;
- Right price for the product or service – Source of Supply.

4.84.9 Working in Partnership

4.8.14.9.1 The College will work in partnership with other public sector bodies to maximise the benefits arising from collaborative procurement. In particular the College is committed to working in partnership with:

- Scottish Procurement;
- APUC Ltd and;
- The Glasgow Regional Procurement Team.

4.10 Signing Contracts

4.10.1 A contract is an agreement whereby an offer is accepted. A framework is an agreement with suppliers to establish terms governing contracts that may be awarded during the life of the agreement. College staff should not sign any contract or framework or verbally commit before having the document reviewed by procurement and authorised by the appropriate ELT member. Purchases and contracts must always be under the College's Terms and Conditions.

4.10.2 Letters of Intent (LOI) and Memorandum of Understandings (MOU) for the purchases of goods, works or services are strictly prohibited without written approval from the relevant ELT member. LOI and MOU are acceptable on the basis of future funded collaboration agreements.

4.10.3 Students are strictly prohibited from signing any contract or framework or providing verbal commitment to any purchases on behalf of the College.

4.10.4 The Procurement Department will hold the official signed agreement, with a copy sent to the relevant department and College Secretary. The responsibility for Contract Management will remain with the budget manager.

4.11 No Purchase Order, No Pay

4.11.1 The College operates a No Purchase Order, No Pay policy. Ordering of goods, works and services require an official purchase order generated from the Colleges electronic purchasing system, PECOS.

4.11.2 No goods, work or services will be provided to the College without an approved purchase order.

4.11.3 Invoices received without a valid purchase order number will not be processed and returned to the supplier.

4.11.4 Exemptions where a confirmation purchase order will be accepted must be authorised by the Head of Finance.

4.11.5 It is our policy to pay all suppliers in accordance with agreed payment terms as set out in their contractual agreement or the City of Glasgow Colleges purchase order terms and conditions. Standard payment terms will be made within thirty (30) days of receipt of a valid invoice by the College on the basis of:

- Accurate & timely invoices
- Valid Purchase Order number on each invoice
- VAT on all invoices where applicable
- E-invoicing capability as a minimum PDF invoices for all Suppliers
- Full 3 way matching (invoice, order, GRN) is performed. No invoice, even if approved will be paid unless the goods are fully receipted and where appropriate added to the College asset register.

5. Responsibilities

5.1. This Procurement Policy applies to all purchases made by the College including those funded from grants, external funding, capital and running costs. The Policy should be read in conjunction with the Procurement Procedures.

5.2. The Vice Principal, Corporate Services will be responsible for agreeing Delegated Purchasing Authority (DPA).

5.3. The Head of Procurement will be responsible for the development and operation of the College's procurement policy and strategy.

5.4. The Head of Procurement will be responsible for managing the development and operation of the College's procurement systems, processes and procedures and for ensuring college compliance.

5.5. The Head of Procurement will also be responsible for:

- Determining & promoting best practice procurement processes;
- Planning of future projects;
- Managing Risk in the Supply Chain;
- Contract Management;
- Spend analysis and reporting;
- Eliminating non-compliant spend;
- Leading OJEU-GPA procurement exercises.

5.6. Procurement Staff will be responsible for:

- Promoting best practice procurement processes;
- Contract Management;
- Managing and providing support on the ePurchasing System;
- Leading sub OJEU-GPA procurement exercises.

5.7. All managers-college staff involved in purchasing will be responsible for ensuring that they adhere to the College's Procurement Policy and Procedures.

5.8. Heads of Departments/budget managers will inform procurement of new planned purchases to ensure they are included in the future tender plan and adequate resource is assigned. Ensuring an authorised Business case for projects of new requirements with an estimated cost of £25,000 and above for existing budget or requiring more than £10,000 of additional Budget is in place.

5.7-5.9. Heads of Departments/budget managers will inform procurement of any changes within their department staffing structure which effects the PECOS approval hierarchy. Ensuring requisitioners are aligned with the correct approvers and approvers are authorising the correct expenditure levels and budgets.

6. Purchasing Thresholds

6.1. Goods and Services

<u>Value</u>	<u>Actions Required</u>	<u>Authorised by:</u>
<u>£0 - £2,000</u>	<p><u>Process:</u> Minimum of one written quotation required, obtained by the department.</p> <p><u>Method:</u> email request for quotation</p>	<u>Budget Manager</u>
<u>£2,001 - £15,000</u>	<p><u>Process:</u> Minimum of three written quotations obtained by the department.</p> <p><u>Method:</u> email request for quotation</p>	<u>£2,001 - £10,000 - Budget Manager</u> <u>£10,001 - £15,000 - Director or ELT member</u>
<u>£15,001 - £50,000</u>	<p><u>Consult Procurement</u></p> <p><u>Process:</u> Minimum of three written quotations using the 'Request for Quotation' template.</p> <p><u>Method:</u> Quotation request via PCS managed and completed by the Procurement Department.</p>	<u>£15,001 - £24,999 - Director or ELT member</u> <u>£25,000 – £49,999 ELT member</u>
<u>£50,001 - £189,330</u>	<p><u>Consult Procurement</u></p> <p><u>Process:</u> Competitive Tender process conducted in line with Procurement (Scotland) Regulations 2016.</p> <p><u>Method:</u> Tender process via PCS-T managed and completed by the Procurement Department.</p>	<u>£50,001 - £100,000 - Principal</u> <u>Over £100,000 - Finance & Physical Resources Committee unless incorporated within the approved Financial Plan e.g. approved capital projects</u> <u>Over £100,000 (management consultancy) - Board of Management and Scottish Funding Council</u>
<u>Over £189,330</u>	<p><u>Consult Procurement</u></p> <p><u>Process:</u> Competitive Tender process conducted in line with Public Contracts (Scotland) Regulations 2015 and the Agreement on Government Procurement (GPA).</p>	<u>Over £100,000 - Finance & Physical Resources Committee unless incorporated within the approved Financial Plan e.g. approved capital projects</u> <u>Over £100,000 (management consultancy) - Board of</u>

	Method: Tender process via PCS-T and advertised on the 'Find a Tender' platform, managed and completed by the Procurement Department.	Management and Scottish Funding Council
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6.2. Works

<u>Value</u>	<u>Actions Required</u>	<u>Authorised by:</u>
<u>£0 - £5,000</u>	<p>Process: Minimum of one written quotation required, obtained by the department.</p> <p>Method: email request for quotation</p>	<u>Budget Manager</u>
<u>£5,001 - £50,000</u>	<p>Process: Minimum of two written quotations demonstrating value for money.</p> <p>Method: email request for quotation</p>	<u>£5,001 - £10,000 - Budget Manager</u> <u>£10,001 - £24,999 - Director or ELT member</u> <u>£25,000 - £49,999 – ELT member</u>
<u>£50,000 - £100,000</u>	<p>Consult Procurement</p> <p>Process: Minimum of two written quotations demonstrating value for money, obtained by the department.</p> <p>Method: Quotation request via PCS managed and completed by the Procurement Department.</p>	<u>£50,000 - £100,000 - Principal</u>
<u>£100,001 - £2,000,000</u>	<p>Consult Procurement</p> <p>Process: Competitive Tender</p> <p>Method: Tender process via PCS-T managed and completed by the Procurement Department.</p>	<u>Over £100,000 - Finance & Physical Resources Committee unless incorporated within the approved Financial Plan e.g. approved capital projects</u> <u>Over £100,000 (management consultancy) - Board of Management and Scottish Funding Council</u>
<u>£2,000,001 - £4,551,413</u>	<p>Consult Procurement</p> <p>Process: Competitive Tender process conducted in line with Procurement (Scotland) Regulations 2016.</p>	<u>Over £100,000 - Finance & Physical Resources Committee unless incorporated within the approved Financial Plan e.g. approved capital projects</u>

	<u>Method: Tender process via PCS-T managed and completed by the Procurement Department.</u>	<u>Over £100,000 (management consultancy) - Board of Management and Scottish Funding Council</u>
<u>Over £4,551,413</u>	<p><u>Consult Procurement</u></p> <p><u>Process: Competitive Tender process conducted in line with Public Contracts (Scotland) Regulations 2015 and the Agreement on Government Procurement (GPA).</u></p> <p><u>Method: Tender process via PCS-T and advertised on the 'Find a Tender' platform, managed and completed by the Procurement Department.</u></p>	<p><u>Over £100,000 - Finance & Physical Resources Committee unless incorporated within the approved Financial Plan e.g. approved capital projects</u></p> <p><u>Over £100,000 (management consultancy) - Board of Management and Scottish Funding Council</u></p>

6.7. References

Document Type	Document Name	Link
Procedure	Procurement Procedures	Procurement Procedures
Strategy	Procurement Strategy	Procurement Strategy
Policy	Procurement Reform (Scotland) Act 2014	legislation.gov.uk
Policy	Public Contracts (Scotland) 2015 Regulations	legislation.gov.uk
Policy	the Procurement (Scotland) 2016 Regulations	legislation.gov.uk
Policy	College Financial Regulations	Financial Regulations
Policy	Modern Slavery Act 2015	legislation.gov.uk
Statement	Modern Slavery Act 2015	modern-slavery-statement
Policy	Climate Change (Emissions Reduction Targets) (Scotland) Act 2019	gov.scot/policies/climate-change/
Policy	Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012	legislation.gov.uk
Policy	Anti-Bribery & Corruption Policy	Anti-bribery & Corruption Policy
Policy	Fraud Prevention Policy	Fraud Prevention Policy

7.8. Document Control and Review

Approval Status		
Approved by	Vice Principal, Corporate Services Finance & Physical Resources Committee	
Date Approved		
EQIA Status	EQIA Conducted?	Yes: X No: <input type="checkbox"/>
Proposed Review Date	September 2022	
Lead Department	Procurement	
Lead Officer(s)	Head of Procurement	
Board Committee	Finance & Physical Resources Committee	
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Version Date	Section	Description
Version 1.6 April 2020	Section 4	Fraud Prevention Policy
Version 2 Sept 2021	Whole Document	Complete refresh to align with Corporate Strategies and Operational Plan