

## Document Information

### 1. Document Details

<b>Title:</b>	<b>Purchasing Procedures</b>
<b>Author(s):</b>	Management Accountant
<b>Version No:</b>	9
<b>Status:</b>	Final

**Important Note:** If the 'Status' of this document reads 'Draft', it has not been finalised and should not be relied upon.

### 2. Revision History

Version	Revision Date	Summary of Changes	Changes tracked?
7	Oct 2009	Periodic review and update to procedures.	No
8	Sep 2012	Updated and added hospitality, sole supplier and business case	No
9	Sep 2017	Added par 5 Independence, Revised par 10 Business Case, par 10 Energy, par 14 hospitality, Appendix C Flow chart, Note pars renumbered.	No

### 3. Relevant Existing/Related Documents

Travel & Expense Policy (Referenced)
Official Circulars and Guideline issues by Departments of Finance and Education and Skills (Referenced)
Travel Procedure & Regulations (version 6) Hospitality removed from that document

### 4. Consultation History

***This document has been prepared in consultation with the following bodies:***

Purchasing Officer, Finance Manager, Senior Financial Accountant, Asst. Building's Officer (Energy)
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### 5. Approvals

***This document requires following approvals (in order where applicable):***

Name	Date	Details of Approval Required
Finance Manager	28/08/2017	Review by Finance Manager
VP Finance & Admin	29/08/2017	Review by VP for Finance and Administration

# Purchasing Procedures

## 1. Purpose and Applicability

These procedures implement the Institutes Procurement Policy as approved by the Governing Body. These procedures apply to all Institute Non-Pay expenditure irrespective of funding source. These procedures also apply to the CIT Innovation Centre Ltd and Cosmos Education Ltd.

## 2. Non Pay Budgets

The President of the Institute shall determine in respect of that year the non-pay budget in respect of the various areas represented on the Institutes Executive Board (IEB) and shall notify them in writing of their budget for that year.

Each member of the IEB will allocate their non-pay budget to the various cost centres for which they are responsible. In consultation with the various budget holders they will breakdown their respective budgets into various cost headings, including (but not limited to): Materials, Travel, Library, Maintenance, Staff Development, Capital Items etc.

Non Pay Budgets for non-mainscheme activities, (such as research & development, contracts and other self financing activities) shall be consistent with the terms of the grant award / contract and shall be for the entire duration of the activity.

Each month the Finance Office shall prepare and circulate a statement for each cost centre, in relation to the period up to the last day of the preceding month showing for each cost heading, the budget, the cumulative amount committed up to that month and the balance remaining which has not been committed.

## 3. Ordering Procedure

A requisition must be submitted the Institutes purchasing function for all expenditure and must be approved by the relevant Budget Holder.

All orders are subject to limits as set out in the Procurement Policy and require a specified number of quotations or are advertised on e-tenders.gov.ie

A Purchase Order will shall be issued from the Institute's purchasing function in respect of items which are compliant with these procedures and this creates the commitment against the nominated budget.

Specific recurring items that are subject to agreements, such as utility bills, insurances, postage and premises rental do not require a Purchase Order to be raised.

Fixed Assets are decided by Value/Description and the Purchasing Officer allocates an Asset Code from the Accounts System Fixed Assets Register as required.

## 4. Processing of Purchase Orders

All orders must be processed in the Institutes Purchasing function in the respective location; Bishopstown Campus, Cork School of Music, Crawford College of Art & Design and the National Maritime College of Ireland. Orders from the CIT Innovation Centre Ltd and Cosmos Education Ltd are processed through their respective companies.

**5. Independence of Procurement Process**

The Institute will avoid giving or receiving gifts, hospitality, preferential treatment or benefits which might affect or appear to affect the procurement process or the Institute's ability to make independent judgement on business transactions

**6. Authorisation of Requisitions**

Requisitions are generally signed by two people. The person requesting the expenditure who is the primary contact for queries and deliveries and it is authorized by budget holder. There is no limit on the value of items that can be requisitioned. It is however constrained by available budget, adherence to the correct number of quotations or tender per the Procurement Policy and the Purchase Order authorization.

**7. Authorisation of Purchase Orders**

The authorization of a Purchase Order is a finance function and is required prior to committing the Institute to any expenditure with a supplier. The authorization is based on the source of funds and the value of the order and the location of the requisitioning cost centre. Order with higher limits must be approved at the lower limits before being forwarded to the next approver. This is handled automatically on the finance system.

For Purchase Orders values **up to €3,000** the following authorization is required:

Building Unit Funding ( <i>C cost centres</i> )	Purchasing Officer
Self Financing ( <i>P &amp; SF cost centres</i> )	Self Financing Office
Student Services ( <i>SS cost centres</i> )	Purchasing Officer
Mainscheme ( <i>D cost centres</i> )	
- Bishopstown	Purchasing Officer
- CCAD	CCAD Finance
- CSM	CSM Finance
- NMCI	NMCI Finance

For Purchase Order values over **€3,000** the following authorization is required:

Between €3,000 and €10,000	Purchasing Officer
Between €10,000 and €50,000	Finance Officer
Over €50,000	VP Finance & Administration

**8. Sole Suppliers**

Where there is a sole supplier for specific goods or services, the Sole Supplier Declaration in Appendix A should be completed and attached to the Requisition.

Sole Supplier Declarations cannot be used to limit the supply of generic goods or services to a particular, supplier, brand or product. Communication from the company stating they are a sole supplier should not be taken at face value as alternative products or brands may be available.

**9. Pro Forma Business Case**

A Pro forma Business Case Form as provided in Appendix B must be completed for all items with a total cost of ownership likely to exceed €25,000. When calculating the cost this should include the purchase price, plus any installation, delivery charges, training, tied consumables to the same supplier, energy efficiency and consumption and ongoing maintenance over the life of the item.

This business case must be submitted to the Purchasing Officer for consideration in advance of any requisition or work commencing on a potential tender.

The Purchasing Officer may contact relevant staff for opinion on the business case and may refer business cases of strategic expenditure to Finance Manager for consideration and approval.

If the Business Case is approved, the Purchasing Officer informs the relevant Budget Holder and work on the tender preparation may then proceed.

**10. Tenders**

Tenders for the goods/services shall be sought by the Purchasing Office (Bishopstown), in accordance with the provisions of the Procurement Policy.

Tenders shall be referred to the Requisitioner, for evaluation who will decide on the suitability of goods/services quoted for and return tenders with a decision and appropriate comments to the Purchasing Office.

Tenders will be evaluated on the basis of the Most Economically Advantageous Tender. The criteria used for evaluating tenders shall be included in the published tender notice and listed in order of priority

Any tender file leaving the Purchasing Office must be signed for and returned with all information. This includes any contact with companies. (Please refer the Procurement Policy with regard to communication with suppliers.)

The relevant Budget Holder shall ensure that the commitment does not cause the total commitment to date to exceed their approved budget. The Finance Office will perform a budget check.

If the source of funding for the goods or services is funded by EU Structural Funds then the appropriate reference and logos should appear on the tender notice.

Tenders for plant, vehicles, equipment, and premises refurbishment with an energy use (eg. lighting), will ensure that the energy efficiency and consumption are considered as part of the tender process and where appropriate may be included in the tender evaluation.



**11. Compliance**

All expenditure must comply with the above procedures. Non compliance is brought to the attention of the Finance Manager, who will notify the Vice President for Finance and Administration of material cases. Serious cases are brought to the attention of the President. Details of non-compliance may be included in an audit file.

**12. Allocation of Expenditure**

Nothing in the above procedures shall prevent the President from directing that expenditure be committed from the appropriate budgets of a Department or Cost Centre in respect of items which he deems to be necessary for the satisfactory operation of that Department.

**13. Specific Sub Contractor Requirements**

All sub-contractors engaged by the Cork Institute of Technology to carry out services shall be required to forward insurance certificates, statements of compliance with safety and pension requirements and any tax reference number and/or other details as required by the Revenue Commissioners. This includes copies of their current Public Liability Policy and Employers Liability Policy prior to carrying out any works.

**14. Hospitality**

Hospitality should be: (1) incurred wholly, necessarily & exclusively for business purposes AND (2) vouched by a detailed invoice. Prior approval is required. Please refer to the Hospitality & Entertainment Procedures for further information.

**15. Alcoholic Drink**

In general the Institute does not reimburse staff for alcoholic drink bills. Any invoice which includes alcohol is automatically referred to the Finance Manager for approval. Please refer to the Hospitality & Entertainment Procedures for further information.

**16. Changes to Procedures**

The above procedures may be modified from time to time by the President in accordance with the Procurement Policy.

**17. Approval.**

These procedures were approved by the Vice President for Finance & Administration

  
\_\_\_\_\_  
Mr Paul Gallagher  
Vice President for Finance & Administration

  
\_\_\_\_\_  
Effective Date

## Appendix A

### **Sole Supplier Declaration.**

For a Word version of this declaration, please go to the Polices Section of the Finance website <http://finance.cit.ie> or click directly on the link below:

<http://finance.cit.ie/contentfiles/policies/Section%2002%20-%20Sole%20Supplier%20Declaration.doc>

## Appendix B

### **Pro-forma Business Case**

For a word version of this Business Case, please go to the Polices Section of the Finance website <http://finance.cit.ie> or click directly on the link below:

[http://finance.cit.ie/contentfiles/policies/Section%2002%20-%20Proforma%20Business%20Case%20\(Aug%202016\).doc](http://finance.cit.ie/contentfiles/policies/Section%2002%20-%20Proforma%20Business%20Case%20(Aug%202016).doc)

# Appendix C

## Public Procurement Guidelines – Competitive Process

