

# 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.

## 2. 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.

## 3. 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.

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 Institutes' ability to make independent judgment on business transactions.

#### 4. 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.

#### 5. 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

#### 6. 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.

## 7. 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 and the ongoing maintenance over the life of the item.

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

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

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

## 8. 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.

## 9. 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.

## 10. 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.

#### 11. 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.

#### 12. Hospitality

Hospitality should be: (1) incurred wholly necessarily & exclusively for business purposes AND (2) vouched by a detailed invoice

Whilst the Institute recognizes that providing hospitality to guests is important, a reasonable approach should be taken and numbers attending meals should be limited. Irrespective of the funding source all payments made by the Institute are deemed to be public funds and this should be borne in mind when offering hospitality. In the case of invoices being submitted for meals or other hospitality, the claim should include a detailed invoice. A list of the names of those who participated should be attached to the invoice.

##### *Examples*

*It is not reasonable to bring a large number of Departmental Staff for a meal with a single Visiting Lecturer / Research Scientist.*

*External examiners or visiting lecturers are claiming subsistence – it is not appropriate to provide evening meals as this represents a double payment.*

*Hospitality claims should only be provided to external visitors to the Institute. Hospitality or entertainment claims for staff – including, but not limited to: Christmas lunches, BBQ's or End of Year dinners for staff within a Department or Office will not be reimbursed by refund or invoice.*

#### 13. Alcoholic Drink

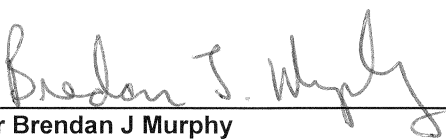
In general the Institute does not reimburse staff for alcoholic drink bills. Any invoice which includes alcohol is automatically referred to the Finance Manager for approval. Notwithstanding this is acceptable where hospitality is being provided to include reasonably priced wine with a meal.

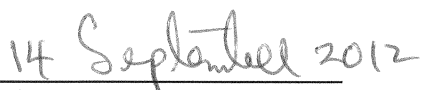
#### 14. Changes to Procedures

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

#### 15. Approval.

These procedures were approved by the President

  
Dr Brendan J Murphy  
PRESIDENT

  
Date

## Appendix A

# Sole Supplier Declaration

### 1. Description of Goods / Services

Include a brief description of goods or services. Attach technical specifications is necessary.

### 2. Proposed Supplier

Include the name, address and contact details for the proposed supplier

### 3. Justification for Sole Supplier Status

Please provide a description of searches carried out for other suppliers and attach evidence of search or other correspondence to justify the declaration. Please note that correspondence from a supplier may not be grounds for justification alone.

### 4. Declaration

I declare that the information provided is accurate and correct.

Signed:

Date:

### 5. Approval

The following declarations has been: **Approved / Rejected**

Signed:

Date:

**Appendix B**

## Pro forma Business Case for all goods or services with a total lifetime cost likely to exceed €25k

**Project Title**

### 1. Assessment of Need

You should include the reason or necessity for this project being approved, including problems or deficiencies with current goods or services or usage / demand data where an additional resource is required.

### 2. Implementation Plan & Timeline

The project implementation timeline includes, when the good or service need to be acquired and the duration for which they will be consumed within the Institute. It should include who would be responsible for managing the project and the location of goods or services.

### 3. Benefits

Briefly provide a summary of the benefits that would accrue to the Institute as a result of this project being approved. Include both monetary and non-monetary benefits.

#### 4. Estimated Project Costs

This is the estimated total lifetime cost of the good or service over the duration for which it is expected to be consumed in the Institute this may vary from a few weeks to 10 year or more. Prices such be exclusive of VAT, but VAT should be added as a cost if it cannot be recovered.

Cost Category	One-off Costs	Annual Costs
Initial Purchase		
Delivery		
Installation		
Room modification cost		
Training		
Maintenance Contract		
Ad hoc Maintenance		
Travel & Expenses		
Tied Consumable Costs		
Running Costs		
Other		
End of Life / Disposal		
Subtotal	-	-
VAT if applicable		
	€ -	€ -
<b>Total Lifetime Cost</b>		<b>€ -</b>

#### 5. Source of Funds

Please state the source of funds for all elements over the lifetime of the project. This may include more than on source or a combination of grant and main scheme funds. You must note if any of the funding sources are either direct EU grants or part of programmes funded indirectly by EU Structural Funds such as ERDF.

## 6. Submitted

Submitted by:
Department/School/Office:
Date:

## 7. Decision

Include any comments or note relevant to the decision:	
Proceed to Tender: <div style="text-align: center;"><b>Yes / No</b></div>	EU Funded: <div style="text-align: center;"><b>Yes / No</b></div>
Recommended by:	Date:
Approved by:	Date: