



**LIT**

LIMERICK INSTITUTE  
OF TECHNOLOGY

## Document Control

### Document Location

Data Analytics & Contracts Manager, Office of Vice President Corporate Services & Capital Development

### Approvals

1. Corporate Procurement Plan requires the following approvals:

Name	Approval noted	Date
Audit & Risk Committee		
Governing Body		

2. Appendix 1 – Multi-Annual Procurement Plan (MAPP)

**Completed MAPP to EPS by 1<sup>st</sup> November annually – contact [eps.mail@ul.ie](mailto:eps.mail@ul.ie) for details**

Contact Name	Department	Completion Due date	Date submitted to EPS
Barry Coleman	Data Analytics & Contract Management		

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# 1. Introduction

## 1.1. Context

### National Policy:

The National Public Procurement Policy Unit (NPPPU) was established in the Department of Finance following a Government decision in 2002. Its role is to develop public sector procurement, policy and practice through a process of procurement management reform.

The NPPPU's overall aim of reforming procurement policy under the National Procurement Policy Framework can be given practical expression through a corporate procurement plan. All non-commercial State bodies are required to complete a Corporate Procurement Plan under the NPPPU framework.

The Code of Governance of Irish Institutes of Technology January 2012 (paragraph 2.7.1) explicitly requires all IoT's to comply with the framework developed by the NPPPU.

The Framework supports various contracting authorities including the Office of Government Procurement (OGP), four key sectors (Health, Education, Local Government and Defence), individual Departments, offices, commercial and non-commercial State bodies, and private entities which are subsidised 50% or more by a public body, when awarding contracts for works, goods and services.

Since the establishment of the Office of Government Procurement in 2014, it is Government policy that all public bodies including LIT, where possible, should make use of central procurement arrangements put in place by the OGP and its education sector sourcing hub, the Education Procurement Service (EPS). This represents a fundamental change to the way LIT approaches its procurement operations and requires a robust documented plan to ensure that the Institute delivers on its value for money commitments.

### Limerick Institute of Technology (LIT) Mission Statement, Values and Goals:

This document sets out in a format agreed with the EPS at a sector level the Strategic context of LIT and the high level procurement objectives for 2020. In order to place these objectives in context the procurement plan includes an overview of the Institutes Strategic context based on the current approved strategic plan 2018-2022. It is important to point out that during the course of each year additional procurement priorities and requirements emerge which can be driven by funding opportunities and/or emerging compliance needs.

The purpose of the Corporate procurement plan (CPP) is to put the process of procurement management in an organisational context and also set out how the procurement unit operates in LIT as well as the key processes and linkages that are managed by the procurement unit. In addition, a key objective of the CPP is to ensure

that there is a coherent approach to procurement which includes the identification of multi annual procurement campaigns as well as identified process improvements which are targeted for the year.

#### Institute Mission Statement:

Limerick Institute of Technology is a regionally focused Higher Education Institute with a national and international outlook. We empower our diverse student body by providing a quality higher education experience enabling economic, social and cultural development.

LIT is committed to operating its procurement under the national procurement model which has a number of mechanisms in place to facilitate Public Sector organisations in achieving value for money and efficiencies in their procurement. These mechanisms include but are not limited to framework agreements and drawdowns. Appendix 3 outlines in detail the roles of both the OGP and LIT when engaging with such mechanisms.

In instances where the national procurement model does not have a mechanism in place for a particular purchase (framework/drawdown), it is the intention of LIT to comply with the relevant public procurement guidelines available from the [OGP website](#).

#### Values:

The core values which underpin LIT's Strategic Plan provide an anchor for all Institute activities (including Procurement) and influence how we achieve results. These include the following:

- **Supportive:** We provide a higher education environment that nurtures, supports and engages our students, staff and external stakeholders, enabling them to achieve their full potential.
- **Accessible:** We enable wider access and participation in higher education by embracing diversity and providing a flexible offering.
- **Innovative:** We foster creative and entrepreneurial activities, in all their forms, in collaboration with our stakeholders to address the changing needs of our region.
- **Equitable:** We promote fairness, equal opportunity, respect and positive outcomes for all our students and staff.
- **Excellence:** We embed continuous improvement in all Institute activities to support the achievement of the highest standards in all aspects of teaching, learning, research and related supports.

#### Institute Goals:

LIT has identified five strategic priorities which will support the Institute in achieving its strategic vision:

- Grow student numbers and diversify our student population;
- Provide high quality teaching and active learning that reflects the needs of industry;

- Increase LIT's RDI capacity in areas that have a clear economic and social impact for the region;
- Deepen stakeholder engagement and increase our impact on the region;
- Deliver on LIT's Campus Development Plan to enhance the student experience.

LIT has also identified five key enablers of equal significance which will facilitate the achievement of these priorities:

- Staff engagement & development;
- Culture & communication;
- Strategic resource management & investment;
- Informed decision making processes;
- Brand, identity & influencers.

Within this overall Strategic framework The Procurement function provides a support role across the organisation. In particular the function supports and enables the areas of strategic resource management, informed decision making and supporting the creation of a culture of open and transparent decision making. In support of the Institute strategic objectives the Procurement unit has developed its own strategic priorities as follows: (these are set out in more detail in section 7)

- Including procurement management reform as one of the key strategic priorities and aims as part of its Statements of Strategy or other key strategic documents;
- Developing an appropriate corporate procurement plan based on these procurement management reform objectives;
- Arising from the corporate procurement plan develop an implementation plan for significant purchases.
- Development and Implementation of an Institute wide spending review mechanism to pre-empt compliance issues
- Examination and implementation of contract management system
- Examination of the feasibility and advantages of implementing a centralised purchasing & procurement process.
- Make more extensive use of OGP and EPS frameworks as spend categories increase.

## 2. Objectives

### 2.1. Corporate Procurement Plan Objectives

This LIT Corporate Procurement Plan is underpinned by analysis of expenditure on procurement and the procurement and purchasing structures in the Institute. It sets practical and strategic objectives for improved procurement outcomes and recommends the implementation of appropriate measures to ensure these objectives are achieved.

The plan addresses the policy and practical approach to be adopted by the Institute. It sets objectives which seek to improve the way LIT acquires and pays for goods and services. As a first step the plan will examine past purchasing activities and procedures and develop ways of improving performance in the year ahead. The plan will set targets for improvements in the purchase of goods and services to measure if appropriate

changes in process and procedures have been achieved. It will also examine the potential for procurement aggregation of commonly used goods and services.

The CPP<sup>1</sup> is also a key tool in facilitating the national procurement model in identifying procurement priorities.

Through the OGP and the four key sector procurement functions (Health, Defence, Education and Local Government), the Public Service speaks with "one voice" to the market for each category of expenditure, eliminating duplication and taking advantage of the scale of public procurement to best effect. This structure is in line with best practice in the public and private sector and is part of the continuing reform programme being driven by the Department of Public Expenditure and Reform.

The objectives of LIT's CPP and how they will be achieved are set out in the table below:

Objective	These objectives will be achieved in a number of ways including
<ul style="list-style-type: none"> <li>• achieve efficiencies and cost reduction through the procurement process;</li> <li>• Support the achievement of LITs strategy by aligning Institutional objectives and procurement requirements</li> <li>• increase the proportion of spend with contracted suppliers drawn from national frameworks;</li> <li>• ensure compliance with all relevant policies and procedures;</li> </ul>	<ul style="list-style-type: none"> <li>• by taking a strategic approach to procurement;</li> <li>• by ensuring compliance with all relevant policies and procedures;</li> <li>• by budget holders engaging with the OGP for their procurement solutions; and</li> <li>• by informing budget holders of the framework agreements and contracts that are available.</li> </ul>
<ul style="list-style-type: none"> <li>• enhance leadership, governance, awareness and skills within the procurement function;</li> <li>• support an efficient devolved procurement function within departments [where appropriate];</li> </ul>	<ul style="list-style-type: none"> <li>• by providing appropriate and periodic training to budget holders on procurement policies, procedures and best practice; and</li> <li>• by engaging budget holders with the development and implementation of the Corporate Procurement Planning process.</li> </ul>
<ul style="list-style-type: none"> <li>• deliver a common, corporate process of strategic sourcing, supplier relationship development and contract management that supports the national procurement model;</li> </ul>	<ul style="list-style-type: none"> <li>• by establishing and assigning clear roles and responsibilities;</li> <li>• by completing the Multi-Annual Procurement Plan (MAPP)(Appendix 1) and sharing it with EPS;</li> <li>• by complying with the processes set out in the national procurement model;</li> </ul>

<sup>1</sup> The requirement to have a Corporate Procurement Plan (CPP) was set out in the National Public Procurement Framework 2005.

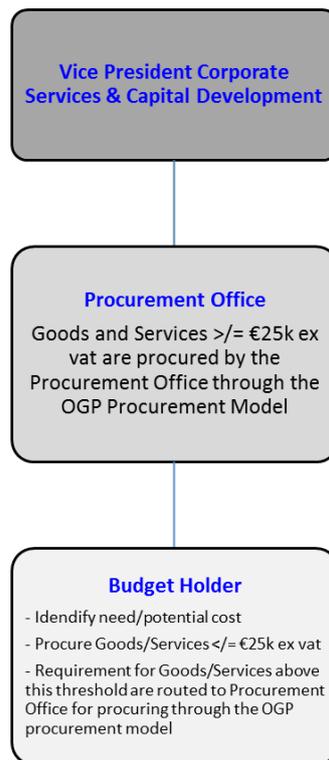
Objective	These objectives will be achieved in a number of ways including
	<ul style="list-style-type: none"> <li>• by developing supplier relationships and monitoring the quality and delivery of goods and services; and</li> <li>• by reference to guidance in sections 3 and 4 of this document.</li> </ul>
<ul style="list-style-type: none"> <li>• continue a category management approach to procurement across the Institute;</li> </ul>	<ul style="list-style-type: none"> <li>• by aligning (where possible) the general ledger and the category management approach to procurement; and</li> <li>• by adopting a consistent approach to procurement and the raising of purchase requisitions and purchase orders on the finance system;</li> </ul>
<ul style="list-style-type: none"> <li>• support the Department of Public Expenditure and Reform (DPER) by implementing strategies such as the national Procurement model in an effort to increase procurement efficiencies and e-invoicing to further enhance efficiencies and value for money.</li> </ul>	<ul style="list-style-type: none"> <li>• by utilising the procurement solutions and guidance put in place;</li> <li>• by implementing a multi-annual procurement plan (refer Appendix 1);</li> <li>• by implementing e-invoicing which will be enabled by the necessary system changes currently being developed by EduCampus; and</li> <li>• by sharing feedback with the OGP on areas of potential improvement.</li> </ul>

### 3. Structure of Procurement within LIT

Procurement is managed within LIT through a hybrid structure incorporating elements of both centralised and devolved procurement.

Procurement up to €25,000 value Ex VAT is managed by the relevant budget holders with procurement over €25,000 Ex VAT being managed centrally.

#### 3.1.1. Structure



#### 3.1.2. Role of Central Procurement Function

LIT's Central Procurement Function (which sits within the office of Vice President Corporate Services and Capital Development) is responsible for the development and monitoring of purchasing and tendering policies and procedures in the Institute and for the provision of support to staff involved in purchasing to achieve value for money in respect of all goods and services.

This support includes:

- Updating of procurement & purchasing policies & procedures;
- Publishing of annual Corporate Procurement Plan for the Institute in accordance with governance guidelines;
- Negotiating and agreeing Institute-wide contracts while ensuring compliance with Institute procedures and national and EU regulations;
- Ongoing supplier and contract management;
- Assistance with any tendering process required including the following:

- Provision of advice on appropriate procurement options available;
- Provision of template Tender Approval Forms for completion by the budget holder and advice on completion of same;
- Preparing request for tender documentation;
- Preparing and publishing of tender notices on etenders.gov.ie;
- Following up of any tender queries arising and responding to same via the e-tenders website;
- Overseeing the opening of the tender postbox on etenders.gov.ie;
- Circulation of tender submissions received to each member of the evaluation team;
- Provision of Conflict of Interest form/s for signature by each member of the evaluation team;
- Co-coordinating the evaluation of tender submissions received;
- Issuing of clarification requests where relevant;
- Preparing the Tender Report for signature by the evaluation team;
- Obtaining the authorisation of contract awards from the V.P Corporate Services & Capital Development;
- Notification to tenderers by issuing success and regret letters;
- Assistance with the de-briefing of unsuccessful tenderers;
- Issuing of Contract Award Notices on etenders;
- Drafting of contracts with winning tenderers;
- Maintenance of all tender records including signed contracts;
- Advice on specific contract negotiations;
- Advice on collaborative agreements available for use by LIT through the Education Procurement Service (E.P.S), HEAnet, the Office of Government Procurement (O.G.P.) and other relevant agencies.

### 3.1.3. Role and responsibility of Budget holders

Ultimate responsibility for spending of allocated budgets within LIT lies with the relevant budget holders. This spending is subject to both budgetary constraints that may exist and institute policies and procedures.

Budget holder responsibilities in the context of the procurement process are as follows:

- Identifying the business requirement for a particular good or service.
- Securing approval and funding.
- Decision making in relation to the most appropriate procurement process to apply (Reference Appendix 1) through consultation with the Procurement Office if necessary.
- In the case of open tenders, compiling the specification for the required goods/services and liaising with the procurement office in the drafting and sign-off of Tender Approval Forms, Requests for Tender and other relevant documentation.
- Facilitating the Procurement Office in responding to queries raised during the tender process.
- Assisting with tender evaluation of submissions received.
- Assisting with any clarification issues that may arise.
- Sign –off of relevant Tender Reports.
- Agreement of final contract.

- Raising and authorisation of Purchase Orders once contracts have been issued and signed.
- Maintenance of records for audit purposes.
- Monitoring of the provision of goods or services over the period of the contract.

In addition, it is the responsibility of the budget holder (with the support of the Procurement Office:

- to keep up to date on changes to procurement guidelines/thresholds, regulations, circulars and to implement them ensuring compliance with public procurement guidelines;
- to utilise the national procurement model and the frameworks where available for all procurement spend;
- to retain all supporting procurement documentation (e.g. quotes, tenders)

#### 3.1.4. Procurement website

LIT's procurement web content has been developed and will be incorporated in to the new LIT website which was launched in December 2019. It's purpose is to provide information on the Institute's procurement function to relevant stakeholders including details of available frameworks/drawdowns, contracts in place, policies, procedures, best practice guidelines and links to relevant websites (OGP, EPS, HEA, DPER etc).

#### 3.1.5. Systems and Training

A review of the IT systems in place to support the operation of procurement within LIT has been undertaken and a number of contract management systems (CMS) will be assessed for suitability. This would potentially support the 'contracts database/listing for all contracts/payments in excess of €25,000<sup>2</sup>', the DPER Circular 02/2016<sup>3</sup> (see Appendix 4) and [e-Invoicing](#)<sup>4</sup>.

Training and staff development in good practice procurement methodologies will continue for both Central Procurement Function staff and those personnel [budget holders] with procurement functions within departments in order to strengthen the level of competencies and skills of procurement practitioners. This may include the following:

- How to operate under the national procurement model;
- How to develop goods/service specification;
- How to manage disclosures of interest and potential conflicts;
- What award and evaluation criteria to select;
- How to evaluate tenders, what techniques could be applied including whole life costing; and
- How to engage in the procurement process in a transparent, fair and equitable manner.

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<sup>2</sup> Section 8.16 of the Code of Practice for the Governance of State Bodies – August 2016

<sup>3</sup> Arrangement for Digital and ICT-related Expenditure in the Civil and Public Service

<sup>4</sup> European eInvoicing Directive (2014/55/EU)

The Central Procurement Function will continue to raise awareness of the complex regulatory framework associated with public procurement in addition to providing training to personnel with responsibility for procurement within departments.

### 3.1.6. Other Key Areas

#### 3.1.6.1. Procurement Support Request (PSR)/Supplementary Request for Tender (SRFT)

- LIT is committed to completing the PSR/SRFT<sup>5</sup> process and communicating with the OGP Customer Service Helpdesk in a timely basis in line with the OGP Framework time matrix. This commences the procurement process.
- The responsibility for sourcing goods/services is with the OGP or the sector Hub other than where PSRs are returned for self-procurement where the responsibility will revert to the LIT to procure.

#### 3.1.6.2. Contract Management

- Whilst there is a contract template available for the OGP, responsibility for creating, signing and management of the contract rests with LIT. This includes the identification of key performance indicators (KPIs) that should go into the contract;
- As a general rule, contracts with suppliers should be utilised where possible in an effort to develop efficiencies in procurement. When considering procurement, the long term (3 or 4 years) and aggregation for the supply of the goods/services will be considered by LIT rather than addressing the immediate supply need;
- When utilising an OGP Framework Agreement or an OGP drawdown solution, a contract needs to be put in place with the supplier and the responsibility for this rests with LIT.
- Ongoing monitoring of the contract by budget holders is important to ensure agreed services and performance levels are delivered and correct rates are being applied by the supplier.

#### 3.1.6.3. Supplier Relationship Development

- Strong relationship management with suppliers is vital to ensure the smooth and efficient management of contracts. Management of supplier relationship forms an important part of the contract management process and best practice dictates that it should be operative for all contracts especially where the nature of the goods or services supplied are recurrent.
- Meeting with the supplier will facilitate both parties to set out their requirements and expectations to ensure the required goods and services are provided as and when required. If not already formally documented as part of the tender or service level agreement (SLA) process, they should be documented to facilitate ongoing monitoring of the supplier delivery of the goods/service contract.

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<sup>5</sup> These can be located on the OGP website or through the OGP Customer Service Helpdesk

- Periodic meetings with the supplier will provide both parties with an opportunity to raise issues to enhance the quality of service being provided. These should be documented and shared with the supplier and should include any agreed actions to be taken. They will also assist in building a relationship with the supplier.
- At least annually, a formal review of performance management should be undertaken against the criteria set out in the tender document and/or SLA to evaluate the quality, service and value for money being obtained. The output of the performance review should support the decision to continue the contract (where appropriate) or to initiate a new tender process where appropriate.
- Where contracts are part of a Framework Agreement or a Drawdown solution put in place through the OGP, it is also important that output from monitoring the contract delivery is made known to the OGP through the Customer Service Helpdesk.

#### 3.1.6.4. Higher Education Representation in the National Procurement Model

- When requested by the OGP/EPS, LIT acknowledges its responsibility to provide representation:
  - to category councils on behalf of education to develop category strategy; and
  - to sourcing teams to evaluate potential framework bidders.

#### 4. Procurement Documentation & Guidelines

Set out below is a list of reference documents to assist LIT's procurement function:

Guidance Source	Detail
<a href="#">LIT Procurement Policy</a>	Framework for a common approach to purchasing in LIT and documenting the objectives and principles of procurement.
<a href="#">Circulars</a>	Department Circulars are issued relating to procurement by the Department of Public Expenditure and Reform and previously the Department of Finance. These circulars are also available through the etenders website below.
<a href="#">eTenders</a>	This website is a central facility for all public sector contracting authorities to advertise procurement opportunities and award notices.
<a href="#">Office of Government Procurement</a>	This website provides access to the Buyers Zone which lists the framework agreements and the drawdown arrangements that are in place and which should be used where appropriate.
<a href="#">Public procurement guidelines</a>	<p>This guideline should be followed where the OGP does not have a procurement mechanism in place for the particular purchase being made. The latest version of this document can be found in both the OGP website and the etenders websites. This document has a number of valuable resources included. The table of contents for the Guidelines are set out below:</p> <ul style="list-style-type: none"> <li>• Key Principles</li> <li>• Encouraging SME Participation</li> <li>• Environmental, Social and Labour Provisions</li> <li>• Main Phases of Public Procurement <ul style="list-style-type: none"> <li>○ Pre-tendering phase</li> <li>○ Below Threshold – National Guidelines</li> <li>○ Above Threshold – EU Rules</li> <li>○ Framework Agreements</li> <li>○ Electronic Procurement</li> </ul> </li> <li>• Monitoring and Reporting</li> <li>• Freedom of Information</li> <li>• Contacts</li> <li>• Glossary</li> <li>• Frequently Asked Questions</li> <li>• Key Documents / Websites</li> <li>• EU Thresholds</li> <li>• Model Letters for below Threshold</li> <li>• Light-Touch Regime</li> <li>• OJEU Time Limits in the 2016 Regulations</li> <li>• Model Letters for Above EU Threshold</li> <li>• Checklist for Procurement and Contract File</li> <li>• Disclosure of records – Information Commissioner</li> </ul>

Guidance Source	Detail
<a href="#">National Public Procurement Policy Framework 2005</a>	This document set out an overarching policy objective for public procurement. It set out the aims of national public procurement policy, including the requirement to give practical expression to it in a corporate procurement plan.

It is the responsibility of each person involved in procurement to keep up to date on changes to procurement guidelines/thresholds, regulations, circulars and to implement them ensuring compliance with public procurement guidelines.

## 5. Corporate Procurement Plan timing, retention and distribution

### 5.1. Corporate Procurement Plan Format

The Corporate Procurement Plan (CPP) document will be in two parts as follows:

The CPP	The CPP sets out LIT's mission, values and objectives in respect of procurement and the Institutes commitment to compliance with the centralised national procurement model. The plan sets out how LIT plans to achieve these and will set out the roles and responsibilities of staff involved in the procurement process.
Appendix	The Multi-Annual Procurement Plan includes an analysis of anticipated procurement requirements by year/category and spend. The appendix will be sent to EPS for their analysis of future public sector procurement requirements.

### 5.2. Timing

The Multi-Annual Procurement Plan will be completed and submitted to EPS by no later than 1<sup>st</sup> November of each year. EPS will aggregate requirements across the Education sector and provide the OGP with a detailed list of the future requirements over a three year period. The timing of the Multi-Annual Procurement Plan will facilitate the completion of LIT's 'Start of Year' ICT related expenditure requirements, under DPER Circular 02/2016 (see Appendix 4).

### 5.3. Retention

This Corporate Procurement Plan will be published on the LIT website.

### 5.4. Distribution

To achieve maximum value and benefit from the Corporate Procurement Plan, once it is completed, the appendices to the Plan will be distributed to the following:

- Internally
  - All budget holders;
  - All staff involved in procurement.
- Externally
  - Head of Sourcing, Education Procurement Services.

Once the information is collated by EPS, the information will be made available to the OGP for planning and operational purposes.

On request (during a review/audit etc.), the Corporate Procurement Plan and appendices will be made available to the HEA, DES and the C&AG for a compliance and governance oversight perspective.

## 6. The Multi-Annual Procurement Plan

The MAPP is a critical element of the overall procurement planning framework. It is also a central mechanism to ensure that the national procurement processes are aligned with the needs of each public sector body.

LIT's Multi-Annual Procurement Plan (MAPP) (Appendix 1) is informed by the application of a number of mechanisms including

- a review of the historical spending profile,
- identification of high volume/low value procurement transactions,
- a review of future procurement requirements aligned to the annual budget and procurement in relation to the longer term strategic plan of the Institute. This includes procurement in relation to grants of funding, philanthropic and research funding.

It should be noted however that this element is difficult to predict given the nature of timing of awarding of various grants and funding applications. The LIT procurement unit will support on an as needs basis the procurement needs of these project as they arise even if it is not included in the original MAPP.

During the year, institutional/faculty priorities may change resulting in changes to procurement priorities. These changes will be maintained in the MAPP to ensure it remains relevant and up to date.

All items with a projected cumulative spend of €25,000 over the 3 year period are included in the MAPP. If spend is approaching the €25,000 threshold or if there is any doubt of the value of spend, the item will be included in the MAPP.

In addition to the above, circular 02/2016 (see Appendix 4) indicates that ICT related spend take into account the whole of life cost and must estimate any potential cost for any associated or follow-on projects.

### 6.1. Historical Spending Analysis

The purpose of the spend analysis is to:

- Inform the drafting of the MAPP
- Support the high-level strategies for the identified categories of spend
- Identify opportunities for improvement in terms of saving costs
- Identify opportunities for working in a more efficient manner
- Identify a number of Key Performance Indicators that can be used to monitor review the impact of implementing the MAPP

To inform the drafting of the MAPP, analysis of 3 years historical spend records is carried out to identify:

- Categories of spend;
- Amount of spend by category.

The output of this analysis will identify the purchases that have been made over the last 3 years and this information (Ex VAT) is then populated into the template in Appendix 1.

Taking the information now populated in Appendix 1, the following is undertaken:

- Establish how the goods/services are procured (e.g. OGP Framework, OGP Drawdown, Mini-competition, HEI own arrangement);
- Identify purchases of key importance either by difficulty to acquire, risk or criticality;
- Identify the incumbent suppliers providing the goods/services;
- Identify the contract renewal date;
- Identify where appropriate who is responsible for each procurement / contract renewal

## 6.2. Review of Future Procurement Requirements

Having completed the historical analysis, budget holders will be provided with the template and asked, based on the completed budget for their respective areas, to identify the future procurement requirements for those areas. These procurement requirements will be aligned to the annual budget for the coming year, projected procurement requirements for a further 2 years in addition to being aligned to LIT's Strategic Plan as follows:

- Using the past analysis of spend, amend to reflect projected procurement requirements for the next three years;
- Identify purchases that were 'once off' or that do not require renewal;
- Identify any new Goods / Services to be procured over the next three years either on a recurring basis or purchases of a once off basis;
- Identify purchases of key importance either by difficulty to acquire, risk or criticality;
- The anticipated cost per annum of the Goods / Services to be procured;
- The month and year the Goods / Services will be required if not already a recurring procurement requirement and document if there is a particular timeline that has to be met.

Once this information is collated from each Executive area, it will then be collated for the Institute.

## 6.3. Ongoing evaluation of procurement requirements

A quarterly review of all expenditure for the preceding three-month period will also be carried out to enable early detection and subsequently a risk assessment of potential procurement non-compliances.

The review will identify goods/services procured during the period which exceeded the relevant National and EU Procurement Thresholds (as outlined in the LIT Procurement Policy & Procedures) and assess whether appropriate procurement procedures were followed.

The overall objective of each of these measures is to help the procurement team assess and determine future procurement requirements and ultimately produce a rolling 12-month tender pipeline document. This will be a valuable tool in assisting the team to plan for the year ahead. Any expenditure items identified during these reviews with a projected cumulative spend greater €25,000 over a 3 year period will be added to that pipeline document to ensure that relevant procurement procedures are applied.

In line with Circular 02/16 (see Appendix 4) issued in April 2016, details of planned digital and ICT related expenditure for the coming year and actual expenditure incurred during the previous year will be submitted by LIT to the Department of Public Expenditure and Reform by the end of February each year. A copy of the submission will be made available to the Office of the Comptroller and Auditor General and to LIT's Internal Auditors.

This proactive approach will significantly reduce the risk of previously unknown procurement issues being identified during the C&AG audit of LIT at year end.

## 7. Setting Targets and Key Performance Measures

LIT, through its Strategic Plan, aims to embed a culture of continuous improvement to support the achievement of the highest standards in all aspects of our operations, including Procurement.

The *Higher Education System Performance Framework 2018-2020* outlines a series of steps which will ultimately lead to the setting of institutional KPIs reflecting LIT's contribution to overall system objectives and building on our own individual missions, capacities and strengths.

It sets out the detailed metrics and indicators associated with each of the Government objectives for the Higher Education sector. Reporting on these metrics will enable the establishment of a baseline which will be used to track progress at regional and national level. LIT is committed to meeting all of its measurement and reporting obligations under the framework.

One of the Government objectives outlined in the Framework refers to the requirement for Higher Education Institutes to demonstrate consistent improvement in governance, leadership and operational excellence. It highlights the level of efficiency gained and saving achieved through the implementation of reform initiatives in line with Government policy (including centralised Procurement). It also sets an ambitious high level target of 100% compliance by HEI's with public procurement rules.

It is envisaged that, when operational, the contract management system (CMS) previously referred to in this document would assist LIT in accurately establishing what proportion of the Institutes overall (non-pay) spend is through the centralised national procurement model including arrangements put in place by the OGP and its education sector sourcing hub (Education Procurement Service). Once a baseline has been established, LIT will be well positioned to monitor progress towards the Government objective.

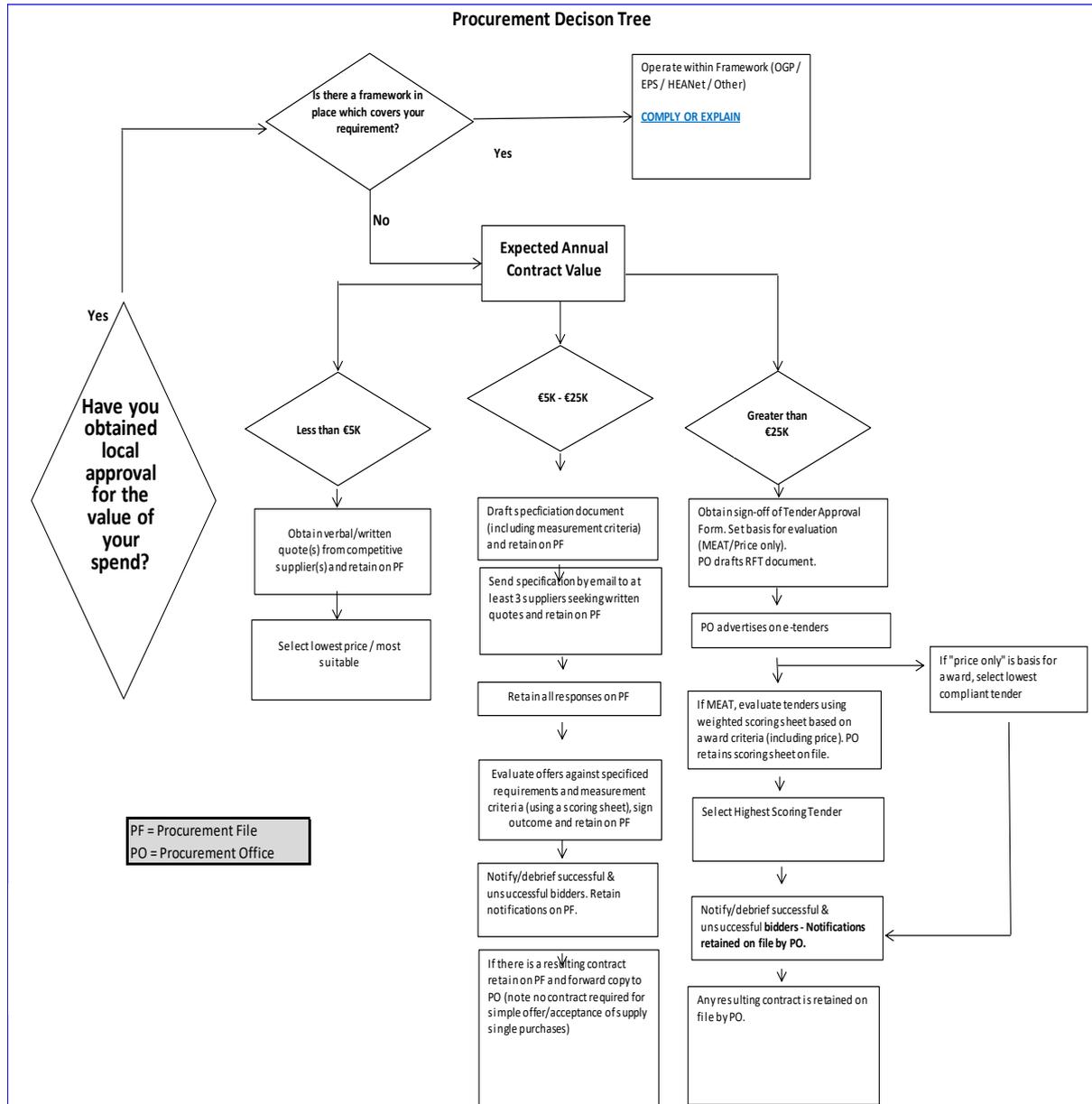
As well as this, LIT is currently undertaking a wider review of internal operations with a view to investigating the benefits (and costs) of moving away from the current hybrid structure towards a more centralised purchasing structure.



Appendix 1 Multi Annual Procurement Plan Template

See attached excel document

## Appendix 2 LIT Procurement Decision Tree



## Appendix 3 Engaging with OGP Frameworks

## Appendix 4      Circular 02/16

21st April, 2016

To: Heads of Departments / Offices

Circular 02/16: Arrangements for Digital and ICT-related Expenditure in the Civil and Public Service

A Dhuine Uasail,

1. I am directed by the Minister for Public Expenditure and Reform to advise of new arrangements for IT and telecommunications expenditure on projects, systems and infrastructures (hereinafter "ICT") in the public service. This Circular<sup>1</sup> supersedes Department of Finance Circular 2/09 and Department of Finance Circular 2/11 and is to simplify the arrangements for approval and oversight of ICT expenditure through greater alignment with the Estimates Process, relevant strategies and strategic objectives.

### 2. Applicability of Circular

This Circular applies from 1 January 2016 and encompasses all ICT-related expenditure from Voted Funds. Each Department and Office is required to bring this Circular to the attention of all bodies and authorities under its aegis and to ensure that they comply with the requirements. This Department will advise organisations directly or, where applicable, through their parent Department, of the administrative arrangements for the implementation and operation of the Circular.

### 3. Implementation Arrangements

Section 4 sets out arrangements in respect of digital and ICT-related expenditure from Voted Funds by:

- vote-holding organisations; and
- non-commercial state agencies that have an annual administrative budget expenditure of €5million or greater and annual ICT-related expenditure of €100,000 or greater.

Circular<sup>1</sup>: In this Circular, the term "Department" encompasses Departments and Offices the term 'this Department' refers to the Department of Public Expenditure and Reform the term 'sponsoring organisation' refers to the public body responsible for initiating or for progressing a proposal, a project or a procurement references to thresholds for seeking approval of a proposal, a project or a proposed procurement refer to the estimated or actual amounts excluding VAT and excluding costs for internal staff

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Arrangements in respect of all other non-commercial state bodies that incur ICT-related expenditure from Voted Funds are set out at Section 6 below.

The parent body of each non-commercial agency that incurs ICT-related expenditure which is not sourced from Voted Funds must formally decide whether or not that agency must pursue the arrangements set out at Section 6 in respect of such expenditure. A formal record of the decision must be retained on an official file by the parent body and by the agency and made available to the Internal Audit function(s) and the Office of the Comptroller and Auditor General if requested.

4. Arrangements for Approval by the Department of Public Expenditure and Reform

The following arrangements in respect of qualifying expenditure set out at section 5 apply to (a) all Vote-holding organisations and (b) all non-commercial state agencies that have an annual administrative budget expenditure of €5million or greater and annual ICT expenditure of €100,000 or greater:

- annual ICT-related expenditure proposals must be approved at management board level in the sponsoring organisation (including, where applicable, by the parent body of the organisation).
  - ICT-related proposals and associated expenditure must align with relevant strategies and strategic objectives of Government, the Department of Public Expenditure and Reform and the organisation within which the Accounting Officer for the expenditure resides.
  - organisations must comply with all applicable circulars and directives from the Department of Public Expenditure and Reform and its offices.
  - approval for expenditure on existing projects which were approved by this Department when new and for recurring annual non-project expenditure is encompassed within the current and capital sanctions issued by the Vote Section to the line Department unless otherwise excepted.
  - the Accounting Officer of each organisation must submit, for information, details of planned current-year ICT-related expenditure by end February each year in the format prescribed by this Department. A copy of the submission must be available for review if required by the Office of the Comptroller and Auditor General and/or the Internal Audit Unit of the sponsoring body/parent body.
  - the Accounting Officer of each organisation must report, for information, details of actual expenditure in the previous year by end February each year in the format prescribed by this Department. A copy of the submission must be available for review if required by the Office of the Comptroller and Auditor General and/or the Internal Audit Unit of the sponsoring body/parent body.
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- submissions to this Department under the terms of the Circular must be by a member of the senior management team (who is an officer of rank equivalent to or higher than the rank of Principal Officer in the civil service) who has been nominated by the Accounting Officer as the ICT Liaison for the organisation and, where applicable, the bodies under its aegis.
  - proposals for new projects should only be submitted by the ICT Liaison after they have been approved by senior management including by the official at Assistant Secretary or equivalent level who has lead responsibility for promoting the digital agenda within the organisation.

Proposals or requests for specific approval of expenditure must be submitted to the Department of Public Expenditure and Reform after they have been approved at top management level within the sponsoring organisation (and by the parent body where applicable) and must be certified by the ICT Liaison as having the appropriate level of approval. Submissions on behalf of an organisation under the aegis of a parent body must be submitted by the nominated ICT Liaison of the parent body following approval by the parent body.

#### 5. Expenditure Categories Requiring Specific Approval

The prior specific approval of this Department is required each year for:

- all new ICT-related expenditure or new ICT-related initiatives which may give rise to expenditure of €25,000 or greater. The submission must identify and estimate potential costs for any associated or follow-on projects that may arise from each new initiative.
- all initiatives or expenditure, irrespective of the amount, which proposes not to follow a current strategy or policy of this Department including where the sponsoring body does not intend to use designated initiatives or infrastructures, centralised shared or managed services, data sharing enablers, and procurement toolkits or frameworks.
- project or expenditure categories notified by this Department to the nominated ICT Liaison in line with the administrative arrangements established for the implementation and operation of the Circular.
- all expenditure on each existing project or initiative if there is significant variation to the scope, schedule, deliverables, cost or quality since the original approval was conveyed by this Department. All proposed significant remedial action(s) or aggregated additional expenditure intended to address project drift requires prior approval.

Requests for approval must be submitted prior to the public body commencing a procurement exercise or otherwise committing applicable expenditure. Incomplete or draft documentation must not be submitted and retrospective approval will not be granted.

#### 6. Arrangements in respect of lesser spending bodies

The following arrangements apply to all non-commercial state agencies that have an annual administrative budget expenditure of less than €5million and/or annual ICT expenditure of less than €1 00,000:

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- 6.1 responsibility for ensuring the development and implementation of appropriate accountability, oversight and reporting arrangements resides with the parent Department of the relevant non-commercial agency;
- 6.2 arrangements must align with the measures set out at section 4 above with the parent department of the relevant non-commercial agency assuming the role of the Department of Public Expenditure and Reform.

## 7. Advertising of Procurement Opportunities

All ICT procurement opportunities with a value of €25,000 or greater must be advertised on the Government eTenders website at [www.etenders.gov.ie](http://www.etenders.gov.ie) unless it is proposed to use a properly procured existing arrangement, central framework or other centrally established procurement vehicle. Mini competitions or supplementary requests for tender must be conducted fully within the rules governing the relevant framework or procurement vehicle.

All procurements and associated expenditure must be underpinned by a current valid contractual arrangement which has resulted from a valid procurement exercise.

The Office of Government Procurement (OGP) has lead responsibility for sourcing goods and services on behalf of the public service. Accordingly, advice should be obtained from the OGP with regard to the availability of suitable central frameworks, with regard to the tendering exercise and with regard to the commercial aspects of all proposed ICT-related procurements. Procurement documentation is not to be submitted to the Digital Government Oversight Unit unless specifically requested by the Unit.

## 8. Calculation and Evaluation of Costs

Costs of proposals should be calculated and assessed on a total cost of ownership basis taking all relevant once-off and recurring costs into consideration. Where applicable, these costs must include at a minimum: external expertise; resulting hardware upgrades/renewals/replacements; hosting; the procurement or upgrade of software including supporting or associated software; telecommunications; ICT and user training; support and maintenance. Costs should be calculated and evaluated over the lifetime of the proposed contract or five years if the contract is not for a specified term.

Similarly, organisations must be mindful of the need to achieve optimum value from recurring or ongoing annual expenditure, generally termed non-project expenditure. In addition to

determining that the level of expenditure is warranted in respect of current arrangements, organisations should also assess whether an upgrade or replacement initiative would deliver efficiencies when the total cost of ownership for the upgrade or replacement initiative is compared to the total non-project expenditure that will be incurred to maintain the existing level of service for the same period.

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9. Accountability Arrangements

In addition to the rules applying to all public expenditure, ICT-related expenditure is subject to the sourcing and governance arrangements set out in the attached Appendix and any specific conditions attached to approvals conveyed under this Circular.

This Circular does not lessen the accountability Of organisations and they continue to be directly responsible for their ICT-related expenditure. They must also ensure the accuracy and completeness of requests for tender or other documents issued following approval of a proposal by the Digital Government Oversight Unit and following consultation with the OGP.

This Circular does not alter other compliance or reporting obligations required of public bodies. In addition, failure by an organisation to apply the terms of the Circular may result in specific approval arrangements being introduced for that organisation and, as applicable, to its parent body or bodies under its aegis.

10. Enquiries

Enquiries concerning this Circular should be made to:

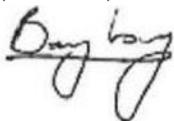
Office of the Government Chief Information Officer  
Department of Public Expenditure and Reform  
3A Mayor Street Upper

Spencer Dock, Dublin 1, DOI WP44

Telephone: 01 6767571

eMail: DGOU@per.gqv.ie

Mise, le meas,



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Office of the Government CIO  
Department of Public Expenditure and Reform

Appendix

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## **General Conditions of Approval that apply to all ICT-related Expenditure Governance Arrangements**

- an official who is an officer of rank equivalent to or higher than the rank of Principal Officer in the civil service must be identified as the ICT liaison within each Vote-holding organisation;
- governance arrangements for the management of ICT expenditure in bodies under the aegis must be formalised within the parent organisation;
- compliance with the terms of Department of Public Expenditure and Reform Circular 2/16;
- an identified official, of rank proportionate to the scale of the project, being assigned as owner and person responsible for each project or each significant activity not classified as a project;
- appropriate governance and risk management procedures being established and maintained throughout the life of each project or each significant activity not classified as a project;
- all expenditures being informed by the Public Service ICT Strategy, the Reform and Renewal Agendas and initiatives with regard to Shared Services; • all expenditures being aligned with an overarching ICT/Technology Strategy for the organisation;
- sufficient financial and human resources being available to the sponsoring organisation to meet its commitments;
- the sponsoring organisation notifying the Department of Public Expenditure and Reform of significant cost overruns, delays or negative impacts in respect of any of its ICT projects within three months of the problem being identified. The notification must include details of proposed remedial action(s) that have been approved by senior management in the sponsoring organisation and, where applicable, by senior management of the parent organisation in respect of a body under its aegis; • the submission by the sponsoring organisation of consultancy details for recording on the central database of consultancies introduced following the Comptroller and Auditor General's VFM report on Consultancies in the Civil Service;

### **Sourcing Arrangements** compliance with procurement rules and regulations;

- centrally-developed procurement arrangements being utilised unless it has been formally agreed by the Framework/Arrangement Manager that existing arrangement do not fully meet requirements or that another procurement mechanism will deliver better value for money;
  - using available, under development or scheduled centrally established Frameworks or build-to-share application unless an exemption has been formally given;
  - large scale or significant telecommunications and network related initiatives being progressed in line with an approach agreed with Government Networks;
  - telecommunications and network related tender documents, including those for mini competitions/supplementary requests for tender, being copied to Government Networks at [gn@gov.ie](mailto:gn@gov.ie); • the Office of Government Procurement (OGP) leading on and/or advising on the commercial aspects of all procurement exercises unless it has agreed otherwise.
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**EDUCATION PROCUREMENT**  
**SERVICE (EPS)** LEVERAGING RELATIONSHIPS  
TO OPTIMISE VALUE NETWORKS

