



**Higher Education Authority**

**Corporate Procurement Plan 2018-2022**

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## Mission Statement

The HEA will ensure that its procurement activity operates in accordance with best practice as outlined in the National Public Procurement Policy framework and supports effective value for money purchasing while ensuring probity and accountability.

## Introduction

The HEA is committed to fully implementing the requirements of the 2016 Code of Practice for the Governance of State Bodies. The Code notes that the Office of Government Procurement Policy framework requires all non-commercial State bodies to complete a Corporate Procurement Plan. The Code states that the plan should set practical and strategic aims, objectives for improved procurement outcomes and appropriate measures to achieve these aims should be implemented. The Chair is required to affirm adherence to the HEA's procurement policy and procedures and that a Corporate Procurement Plan has been developed and implemented in his comprehensive report to the Minister for Education and Skills.

The Office of Government Procurement (OGP) was set up in 2014, as part of the Department of Public Expenditure and Reform. It operates in four key sectors (Health, Defence, Education and Local Government) and takes responsibility for sourcing all goods and services on behalf of the Public Service, as well as taking responsibility for procurement policy and procedures.

This is the second Procurement Plan prepared for the HEA and it will cover the period of the HEA's new Strategic Plan 2018-22.

Key developments during the first plan included the centralising of procurement in the HEA's HR and Accounts section, previously the research councils (now IRC) managed their own procurement activities. The HEA has integrated the raising of purchase orders with the HEA's accounts system for the bulk of purchases using Access accounts Focalpoint. In addition an additional resource has been assigned to HR and Accounts to work primarily in procurement.

## Procurement Overview and Analysis

This plan focuses on procurement arising from the following 2017 administrative budgets;

- HEA Administration Budget - €7m (this includes €0.25m transferred from the Skills Account in respect of Springboard promotion and other administrative costs)
- IRC Administration Budget - €2.1m
- Access Office research and other associated costs - €0.13m

An analysis was carried out using HEA access accounts of HEA suppliers in 2016.

It should be noted that staff pay, superannuation and members fees accounted for 55% of total expenditure in 2016 c. €5.1m.

In 2016 there were c. 300 suppliers on the HEA books. A number of these accounts were dormant.

The top 10 suppliers accounted for 43% of total non-pay expenditure with just four suppliers being paid in excess of €100k;

- the agents for the HEA landlords Jones Lang La Salle and later BNP were paid €0.84m in 2016.
- Mazars were paid €0.18m for internal audit and external accountancy services
- Clever Cat were paid €0.12m for design and print services

In 2016 HEA/IRC suppliers were broken down as follows;

Turnover less than €1000 – 102 (34%)

Turnover €1000-4999 – 90 (30%)

Turnover €5000 + - 107 (36%)

The HEA processed 1546 invoices in 2016 – 65% of these (1005) were for under €1000. Just 10% (162) were in excess of €5000.

### **Procurement Principles and High Level Goals**

The HEA is obliged to follow the national policies and procedures as set out in the National Procurement Policy Framework and by the Office of Government Procurement (OGP).

The HEA's HR and Accounts Office is committed to ensuring that its policies and procedures facilitate all purchasing being carried out in a strategic and co-ordinated manner and that the ongoing purchasing needs of the HEA and IRC are addressed. While cost is a determining factor in value for money outcomes, other factors to be considered include quality, delivery times, level of services from supplier etc.

The HEA recognises the importance of all staff having a reasonable understanding of the HEA's corporate procurement procedures. This is particularly important as the HEA devolves more responsibility to sections to manage projects within an overall budget.

The following is a list of Authorised Authority Approval Limits ex VAT

Over €100,000 HEA Board approval

€6,000 - €99,999 Chief Executive

€1,001 - €6,000 Head of Corporate Affairs

## Up to €1,000 SEO HR & Accounts

The CEO will devolve responsibility to Section Heads for the management of procurement for specific projects within agreed budget allocations. The actual purchase orders will continue to be placed by HR & accounts.

### High Level Goals

#### Goal One

The HEA will ensure that there continues to be a coherent and consistent approach to procurement across the organisation and that best procurement practice initiatives are complied with.

Goal One will be progressed through the following objectives:

- Development of a Corporate Procurement Plan and ongoing review of the rules as set out in the HEA's Procurement Policy. The latter was last reviewed by the Audit Committee in November 2013. A further update to be submitted to the Audit Committee in Q4 2018.
- The above documents will be considered by the Audit Committee who will recommend they be approved by the Board.
- The Head of Corporate Affairs shall be responsible for implementation of the Corporate Procurement Plan and Policy. He shall ensure that all managers are familiar with the requirements of the Corporate Procurement Plan and HEA Procurement Policy. (see goal two)
- The HEA will ensure that its Corporate Procurement Plan is aligned with its annual work programme and new strategic plan.

#### Goal Two

The HEA will ensure that there is greater knowledge of the HEA's procurement obligations both within HR & Accounts and throughout the organisation.

Goal Two will be progressed through the following objectives:

- Staff in HR & Accounts shall attend a 5 day course on procurement. The SEO, Accounts attended such a course in Q2 2017 and the new EO will attend a shorter introductory procurement course in Q3 2017.
- The section will use lunchtime presentations to brief staff on aspects of public procurement. There will be a presentation on OGP frameworks at the next session scheduled for 29<sup>th</sup> November 2017.
- The section will review and update its intranet pages on procurement – in addition to the Corporate Procurement Plan and Policy. the intranet pages will include material provided at training courses attended by staff.

## **HEA |**

- The section will avail of expertise both from the OGP and internally from the Management Accountant and SEO responsible for ESF/ERDF audits in the HEIs.

### **Goal Three**

The HEA will streamline the raising of purchase orders. This will be achieved through the following objectives:

- The HEA will enable staff to request purchases using an on-line requisition form for goods/services up to €25k (ex VAT). This form will be designed to ensure all the information required by the section to process a PO is captured. Goal Three will be progressed through a pilot test to be undertaken with one section during Q4 2017.
- Smaller purchases under €1k (ex VAT) will be processed outside focalpoint – HR and Accounts will handle such purchases through e-mail.

### **Goal Four**

The HEA will introduce an on-line system for the processing of travel and subsistence claims from members and staff. In the first instance this will focus on travel within Ireland. The HEA will explore systems used in other organisations to progress this goal.

### **Goal Five**

The HEA will continue to avail of OGP frameworks where possible for the purchase of goods and services. In 2017 the HEA has availed of OGP frameworks to secure Executive Recruitment Services, Internal Auditors and Accountancy Services. The HEA is also using OGP frameworks for ongoing goods and services such as corporate travel, office supplies, PCs and other IT consumables and supply of electricity. This goal will be achieved through ongoing liaison with the OGP.

Where OGP frameworks are not in place the HEA will, where appropriate, engage with other agencies operating under the DES to jointly procure goods and services.

### **Key Dependencies**

- Resources – both within HR and Accounts Section and IT to support the technical developments.
- Ongoing commitment from all managers in the HEA and IRC
- Ongoing engagement with the OGP and if appropriate other education agencies.

## Implementation Plan

Action Item	Responsibility	Deadline
<b>Goal one</b> Develop Corporate Procurement Plan Review and approve plan Review Procurement Policy	Head of Corporate Affairs Audit Committee Board Head of Corporate Affairs, Audit Committee	October 2017 November '17 November '18
<b>Goal two</b> Complete training of staff in HR & Accounts Refresher training Staff briefing Review Intranet	EO, HR & Accounts HR & Accounts staff SEO & EO HR & Accounts SEO & EO IT	December '17 Annually November '17 and as needed March 2018
<b>Goal three</b> On-line PO requisition form Pilot Roll-out	Head of Corp Affairs/SEO HR & Accounts	Dec '17 Mar '18
<b>Goal four</b> On-line processing of T&S claims	Head of Corp Affairs/SEO HR & Accounts	September 2018
<b>Goal five</b> OGP Frameworks	Head of Corp Affairs/SEO HR & Accounts	ongoing