



Procurement Policy and Procedure

Version 5

Approved by Board of Governors

Last Amendment: September 2023

The purpose of this policy is to provide LSST with rules and standards governing the procurement of commodities and/or services. Procurements will be considered in the best interests, or the best value, to LSST when a procurement supports and balances the following procurement principles:

- the achievement of required outcomes;
- generates the best quality and economic value;
- is performed in a timely manner;
- minimizes the burden on administrative resources;
- expedites simple or routine purchases;
- allows flexibility in developing alternative procurement and business relationships;
- encourages competition;
- encourages the continuing participation of quality supplier; and
- supports LSST procurement planning and implementation.

Document Information

Document owner(s)*:	Operations Manager
Date of next review:	September 2024
Document Status:	IN USE
Dissemination:	For general publication

*The document owner is responsible for maintaining and updating the content of this document and ensuring that it reflects current practice at the School.

Contents

Section 1: Procurement Policy	2
Application.....	2
Guidelines:	2
Ethics and Conflict of Interest.....	2
Procedure.....	2
Requests for Quote (RFQ)	3
Purchase Orders (PO).....	3
Travel and expense claims.....	3
Petty Cash.....	3
Procurement File	3
Procurement Amendments.....	3
Purchasing Process Flow Chart at LSST.....	4
Section 2: Procurement Contacts	5
Section 3: Responsibilities of LSST	6
Section 4: Financial Authorities.....	6
Section 5: Purchasing Procedure	8
Appendix 'A'	11
Appendix 'B'	11



Section 1: Procurement Policy

All purchases made at the London School of Science & Technology (LSST) are processed using the established purchasing methods. LSST endeavours to purchase goods and services in a manner that maximizes the value received for funds expended while ensuring legal and financial interests of the School.

Application

This policy shall apply to all procurements of commodities and/or services by LSST. This policy shall not apply to construction contracts and property leases.

Principles

LSST is committed to promote a purchasing system that:

- Acquires goods and services in a timely manner,
- Protects legal and financial interests of the college,
- Projects a positive image of LSST.

All the purchases are made with prudent protection against conflict of interest, the highest standard of business ethics, and professional competence and courtesy.

Guidelines:

1. All purchases are subject to available budget funds;
2. Buyers and users will familiarize themselves with applicable LSST policies and procedures;
3. Purchasing transactions not complying with this Policy may be delayed in processing;
4. The CEO of the School will be advised of all non-compliant transactions;
5. In all purchasing situations where the lowest offer is not selected, the CEO shall be notified and provided with acceptable rationale for the selection.

Ethics and Conflict of Interest

LSST employees shall ensure prudent protection to avoid conflict of interest. A conflict of interest exists when in their normal course of duties an employee may be in a position to make personal gains from an outside interest by their ability to influence transactions. Employees should also be aware that there might be instances in which a perception of conflict of interest may exist.

Procedure

At LSST, the procurement department conducts most purchasing actions. The department is responsible to insure consistent purchasing practices across LSST.



Requests for Quote (RFQ)

The School may gather quotes to assist in the potential procurement by inviting potential suppliers or other interested parties to provide quotes on procurements; it is a way to provide the best value for the best price.

Purchase Orders (PO)

The School raises the PO for all purchases without PO any purchase will not be processed at all.

Travel and expense claims

To compensate employees for travel and/or other expenses paid personally; refer to the Section 4: Financial Authorities.

Petty Cash

For purchases valued at less than £50 for goods or services (unrelated to employee travel and expenses) acquired directly from the supplier.

Procurement File

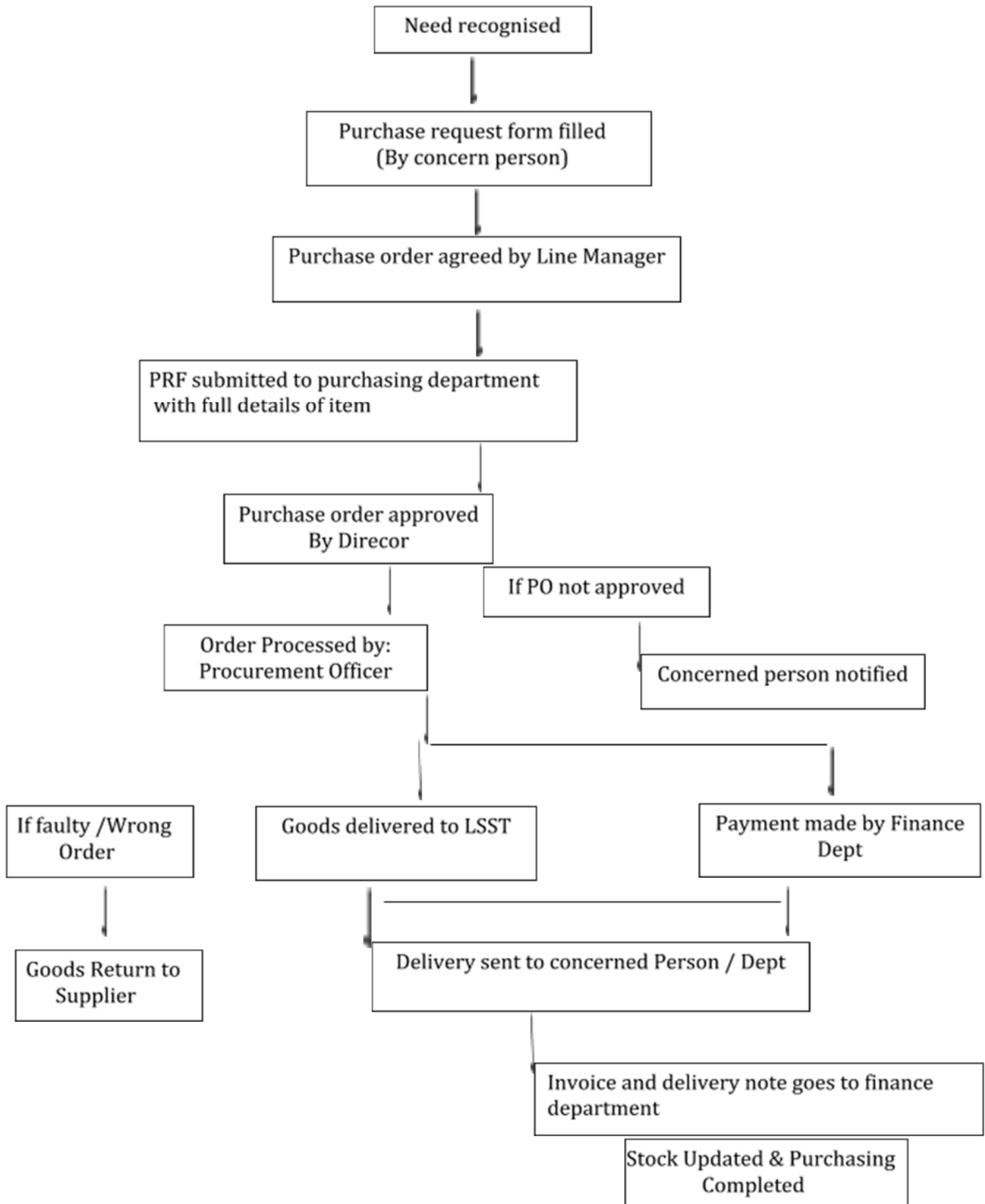
LSST shall maintain a paper or electronic procurement file, competitive procurement of commodities and/or services. The file shall contain the original and copies or the file location on LSST database.

Procurement Amendments

LSST may, at any time prior to the execution of an order, amend procurement or change the procurement requirements, scope, and budget or procurement schedule upon written notice to suppliers.



Purchasing Process Flow Chart at LSST





Section 2: Procurement Contacts

Details of the team members and information on their areas of responsibility are mentioned here:

1. Procurement Officer

Operations Manager from each campus places order with the approval of the Director of Operations.

2. Finance Cashier & Coordinator

Fatima Yuosuf

Email: finance@lsst.ac

Tel: 02080171611

3. Benish Fatimah Zaidi

Finance Manager

Email: Benish.zaidi@lsst.ac

Tel: 0208 795 3863 Ext: 26

Ms. Benish process all the payroll, and payments.

4. Finance Officer

Fatima Yousuf

Email: finance@lsst.ac

Tel: 02080171611

5. Finance Coordinator

Noman Nafees

Email: Noman.nafees@lsst.ac

Tel: 0208 795 3863 Ext: 43

Mr. Nafees handles all the staff invoices and supplier invoices with the Procurement Officer.



6. Director of Finance & College

Mr. Syed B Zaidi

Email: Syed.zaidi@lsst.ac

Tel: 0208 795 3863 Ext: 26

Mr. B. Zaidi manages over all finance and budgets of LSST's internal and externals. Furthermore, he authorizes signing all the contracts and agreements, etc.

Section 3: Responsibilities of LSST

Section 2 provided details of the Procurement team and areas of their responsibility. Operational responsibility for the procurement of goods and services rests with the Heads of LSST and Sections. There has to be a clear definition within LSST and Sections of:

- *Who may request goods or services to be bought?*
- *Who is to do the ordering?*
- *Who is to authorise the transactions? – which is linked to -*
- *The delegated authority structure for purchases below £5,000 (which is the limit for Procurement Officer and Sections), and*
- *Who will be the receiver of the goods or services?*

This all must be done in accordance with the **Financial Authorities Structure** (Section 4 follows).

The Financial Authorities Structure is in place to ensure that staff at an appropriate level oversee the procurement of goods and services.

The procurement officer can process any purchase/order up to £5000 with the approval and consent of Director of the School. Whereas the Director of School can process any order between £6000 and £300,000 and in case of purchases/order of £300,000 and above are subjected to formal Directors board meeting for approval.

Section 4: Financial Authorities

There are three linked, internal arrangements to facilitate delegation of financial authority:

- 1. Authorised signatories and Staff**
- 2. Excel Sheet of Purchase Orders and Budget**
- 3. Financial authority's structure**



1. Authorised Signatories & Staff

The CEO of the School is responsible for maintaining the records and authorised signatories of staff. This is a physical record of LSST's financial authority structures and authorisation limits for staff, complete with samples of signatures. Any changes to these authorities must be notified to the Finance Department immediately, whereas the right to sign all **agreements & contracts** is reserved to CEO of the School only.

2. Excel Sheet (Register) of Purchase Orders and Budget

The information contained in the Excel Sheet about all the purchase Orders and information of Authorised Signatories and the budget of each department.

3. Financial Authorities and Structure

LSST has financial authorities and its structure to enable LSST to transact daily business. This is to ensure that all the small and major purchases of goods and services are authorised by LSST's senior management at an appropriate level.

The Line Manager has authority to accept and forward the orders of individual staff for the final approval with the Director of School (CEO) to place the order.

- ***Mr Syed BA Zaidi, the CEO of School has financial authority to sign all the orders and sign contracts / agreements on behalf of LSST.***
- ***In the absence of the CEO of School, the Finance Manager may approve P.O to place the order.***

Orders and contracts must be authorised in accordance with the table of values below:

- Below £50 Petty Cash is authorised by Cashier & PA of Directors.
- Above £50 up to £5,000 is processed by the Procurement Officer (subject to approval by the Director of School).
- From £5,000 up to £50,000 - Must be endorsed and ordered by the CEO of the School.
- Above £300,000 - To be discussed in Board of Director's meeting, signed by the CEO of School.
- From £500,000 upwards - Must be approved by Board of Directors, signed by the CEO of School and other senior staffs –Regional Principal (Provost) are also to be informed.

Note: It is not permitted for staff to divide orders into smaller lots in order to avoid having to obtain a proper level of authorizations.



Section 5: Purchasing Procedure

The normal transaction stages for an external purchase order are as follows:

Requisitioner

1. Obtains quotations;
2. Selects preferred supplier and prepares summary for orders for goods and services;
3. Inputs requisition to finance and purchasing system

Note: purchases below £50 (for a single purchase) may be made with Petty Cash when necessary.

Authoriser

5. Reviews purchase requisition details;
6. Examines Line Manager approval;
7. Authorises requisition

Procurement Officer/Buyer

8. Final responsibility for placing order;
9. Ensures that competitive quotes have been obtained;
10. For orders over £50, a PO summary to be obtained (or created) and held on order file. If this is a “new” supplier, it must be added into Supplier list;
11. Agrees on appropriate terms and conditions;
12. Inputs order to finance system;
13. Obtains further authorisation as required

Security Officer / or Receptionist

14. Receives delivery;
15. Checks delivery;
16. Passes goods to Requisitioner (or consignee detailed on order);
17. Inputs Goods Receipt to finance system

Further Guidance for Requisitioners

The following notes follow the sequence detailed in the preceding section, providing more information on each stage of the transaction.



Note 1: Obtaining Quotations:

It is important for the Requisitioner or the Buyer to “test the market” by obtaining competitive quotes. Please note that it is not necessary to obtain alternative quotations when the goods are to come from an established contract, but you may have to run a further competition between suppliers on a framework agreement.

Always check whether the goods or services you require are available from an existing contract or not. Use LSST’s regular suppliers to find the products.

The procurement team verifies all the supplier registrations.

The introduction of a new supplier should be an exceptional action. Establishing and maintaining a new supplier requires time and approval while the LSST List of Suppliers already exists. The Procurement Officer examines all new supplier set-ups before using their services or any orders to be placed.

When suppliers send in forms to open credit accounts with their firms, these usually involve acceptance of the suppliers’ conditions of sale with the Procurement Officer.

Advice and assistance on any procurement matter is always available from the Procurement Officer.

Procurement **must** be consulted on any purchase with a total value of £50 or above.

Note 2: Selecting a supplier

Selection in most circumstances will be based on best value or lowest cost.

There may exceptionally be a quotation preferred which is **not** the least expensive. There may be valid reasons for this selection such as demonstrable best value, lowest total cost taking into account maintenance costs or building work, compatibility, closest fit to technical performance requirement, etc. A selection not based on lowest cost **must** be justified and documented in **every** case.

Note 3: Purchases below £50

There is a significant administrative resource cost (estimated at over £50) involved in processing an order from requisition to payment. Due to this, a Minimum Order Value of £50 for any single item has been established. Purchases below this value are to be held with a view to consolidating with other requirements, or, as a last resort, be made using departmental Petty Cash.

Note 4: Final responsibility for placing order

At LSST, the Procurement Officer has the final responsibility for checking and issuing the order. A particular department may or may not have delegated *budget* authority but the Procurement Officer will talk to their Line Manager before they place an order.

It is their responsibility to ensure that all of the preparatory work has been completed and that a proper record of the procurement is made. This establishes a clear audit trail.

Note 5: Ensures that competitive quotes have been obtained

It is the Procurement Officer who must ensure that there has been an appropriate approach to the market and an adequate number of quotations received **in advance** of the order being processed and authorised.

Note 6: Agree appropriate terms and conditions

Unless goods or services are being obtained from an existing contract (in which case the terms and conditions are pre-agreed) it is strongly advised that, a LSST purchase order is used for every transaction. It is given in last section of the policy.

Notes 7: Placing Order via telephone, fax or email

Please note that by ordering by telephone, fax or email when there is no current supply agreement in place, you are accepting the supplier's terms of sale. Always issue an order with the terms and conditions attached.



Appendix 'A'

1. Purchase Order Form (Internal)
To be used only for internal staffs
2. Purchase Order Form (External)
To be used only for external suppliers and companies

Appendix 'B'

List of Approved Signatories:

1. Procurement Officer

Approved Signature:

2. Benish Fatimah Zaidi,
Finance & Payroll Manager

Approved Signature:

3. Syed B A Zaidi,
CEO of the College

Approved Signature:



Version History

Version	1.0 – 4.0
----------------	------------------

Original author(s):	Head of Security Head of Operations
---------------------	--

Reviewed by:	Executive Committee
--------------	---------------------

September 2016
September 2017
September 2018
September 2019

Version	4.1
----------------	------------

Revised by:	Quality Unit Head of Operations
-------------	------------------------------------

Revision summary:	<i>Annual review and update; Formatting and version control applied.</i>
-------------------	--

Reviewed by:	Board of Governors
--------------	--------------------

October 2020

Version	4.2
----------------	------------

Revised by:	Quality Unit Head of Operations
-------------	------------------------------------

Revision summary:	<i>Annual review and update.</i>
-------------------	----------------------------------

Approved by:	Board of Governors
--------------	--------------------

October 2020

Version	4.3
----------------	------------

Revised by:	Operations Manager Quality Unit
-------------	------------------------------------

Revision summary:	<i>Annual review and update; minor grammatical changes.</i>
-------------------	---

Approved by:	Board of Governors
--------------	--------------------

September 2022

Version	5
----------------	----------

Revised by:	Operations Manager Quality Manager
-------------	---------------------------------------

Revision summary:	<i>Annual review; version control applied.</i>
-------------------	--

Approved by:	Board of Governors
--------------	--------------------

October 2023

Version	
----------------	--

Revised by:	Name; Title
-------------	-------------

Revision summary:	
-------------------	--

Approved by:	
--------------	--

Date