



LUND
UNIVERSITY

Vice-Chancellor

DECISION

1

December 12, 2013

Reg. No EK 2012/103

Regulations for Purchasing at Lund University

Background

On September 30, 2010, Lund University took a decision on Regulations for Purchasing (Reg. no EK 2010/26).

Purchasing policy

On September 17, 2010, the University board took a decision on a Purchasing Policy. The policy includes guiding principles stating that goods and services required to run the operations of Lund University are to be purchased in compliance with the law and in a professional and efficient manner. The regulations that were approved on September 30, 2010 are associated with the Purchasing Policy.

Regulations on purchasing

In the regulations certain binding and generally applicable rules are stated which are necessary to enable the University to meet the principles in the policy. The regulations entrust the University's Finance Division with the management of all procurements above the limit of direct procurement (currently SEK 284 000¹).

Current situation

The head of the University administration modified the mandate of the University's Finance Division as of January 1, 2013, entailing a change in the conditions for the Division's assignment.

Since the regulations were approved, certain conditions regarding purchasing activities, both general and specific for public authority, have changed or become clearer.

- Several product areas for goods and services, lack functional agreements and the follow-up of contracts with existing suppliers is severely neglected.

¹ In 2014 the limit of direct procurement was raised to SEK 505 800

- The University's purchasing and procurement demands have grown in parallel to the University's increased turnover.
- Long-term strategic work to find effective ways of meeting purchasing demands has been left aside in favour of daily operational work with procurements.
- Procurement demands often end up in a queue with operational delays as a result.
- The risks to both the University's finances and to its brand image have increased because there are more options for recourse both for suppliers, who can appeal in court against completed procurements, and for the Swedish Competition Authority, which can invalidate agreements and demand damages if the authority acts incorrectly or neglects to conduct procurements. Compared to only a few years ago, the operations of Lund University are surveilled by wider society in a completely different way and the trend is obvious: the number of questionings on the purchasing and procurement activities of public authorities are constantly increasing.
- The complexity of procurement has increased and the requirements on the procurement officer have accelerated, partly due to the threat of sanctions and partly because precedents and experiences from the outcome of previous procurements requires a significantly higher level of quality.
- Annual modifications in the legal framework and changed conditions due to almost 2000 precedent-setting court cases only within Sweden every year, and even more within the EU, requires increased resources for continuous professional development within this legal field.
- There are major challenges regarding the University's purchasing procedures ahead, due to new governmental regulations which require orders of goods and services to be handled electronically. Moreover, the function of the government service centre, which became operational in 2012, may result in that the authority will be required to prove that it autonomously can administrate its staff and finances, including E-orders, at least as efficient as the service centre.

In order to meet the increased requirements, the Finance Division will choose to focus on major procurements, i.e. on procurements exceeding the European Commission's threshold value, parallel to the production of new templates and training material supporting the organisation in its ability to work autonomously with direct and simplified procurements.

To reflect this, a proposal for amended regulations has been composed, of which the implementation is deemed feasible within the framework of existing resources.

Proposal

With regard to the procurement function, the Finance Division shall primarily focus on executing procurement processes and second competitions of high monetary value, manage, actively follow up and optimise existing and future general framework agreements for public authorities, manage appeals and

disputes, with or without external support and support the organisation with advice and training within public procurement.

The amendments in the regulations have been negotiated in compliance with Section 11 of the Swedish Employment (Co-Determination in the Workplace) Act on May 28, 2013. This negotiation ended in disagreement.

Decision

The University decides

- to adopt the attached Regulations for Purchasing (Reg. no EK 2012/103)
- that the Regulations for Purchasing, Vice-Chancellor's decision of September 30, 2010 (Reg. no EK 2010/26) shall cease to apply

This matter was referred to all faculties for consideration and comments received have been reviewed and partially taken into account. The University's former head of procurement, Gabriella Manieri, finance director Lise Bröndum and the Purchasing Council all contributed to the preparation of this matter.

This decision was taken by the Pro Vice-Chancellor in the presence of the Head of the University administration, Susanne Kristensson, after a presentation by the Head of Procurement, Jeanette Jakobsson.

Eva Wiberg

Jeanette Jakobsson
Finance Division

Copy to:

Heads of Faculty Offices
Heads of Division
Rules and Regulations
USV/Anita Nilsson
Purchasing Council
Purchasing coordinators

APPENDIX

Reg. no EK 2012/103

Purchasing regulations

Lund University approves the following regulations, hereby replacing the previous Purchasing Regulations Reg. no EK 2010/26, dated September 30, 2010:

1. Definitions and references to other decisions

1.1 Purchasing is defined as the entire process from demand to payment, i.e. procurement, contract management, call-offs from contracts, delivery checks and invoicing.

1.2 In present regulations a department is also understood as other comparable organisational units within Lund University, such as institutes and research centres, faculty offices and divisions within the central administration. The term 'head of department' also refers to the heads of these other units.

1.3 Strategic work with purchasing refers to defining targets and guidelines for the University's purchasing activities, designing strategies for range and suppliers, managing product categories, designing strategies for procurement and supplier development etc.

1.4 Authority to sign award decisions, framework agreements and other contracts concerning purchasing, insofar as it is not specified in the present regulations, derives from the "Regulations on the allocation of decision making powers at Lund University"² and following sub delegation decisions³ or other regulations/decisions which replace them.

1.5 Authority to attest the various types of documents entailing decisions to use University funds derives from the "Authorisation Rules"⁴ or other decisions that replace them.

1.6 "Engaging a legal entity"⁵, or other regulations replacing the text, contains regulations for the engagement of a legal entity.

² Rules on the allocation of decision-making powers at Lund University, decision of December 20, 2012 (Reg. no LS 2012/167).

³ Further delegation by the head of the University administration to the heads of division within the central administration and to the heads of faculty offices, decision of April 6, 2010 (Reg. no LS 2009/1023).

⁴ Authorisation rules – regulations on the authority to dispose of University funds, Vice-Chancellor's decision of September 30, 2010 (Reg. no EK 2010/43) (previously Delegation regulations, Reg. no I EE 2008/23).

⁵ Anlitande av juridisk person (Engaging a legal entity), Vice-Chancellor's decision of May 29, 1997 (Reg. no I A 9 6301/97).

2. General provisions

2.1 All procurement processes and second competitions are to be registered and archived in the location where they are handled.

2.2 When a demand for purchasing arises and if the total purchase value, including all options, is estimated to exceed the European Commission's stated threshold values and furthermore, there is no framework agreement from which it is possible to create a call-off contract, or if the purchase concerns a second competition exceeding the same threshold value, assistance regarding the execution of the procurement is to be requested from the University's Finance division.

2.3 Orders to execute a procurement are to be authorised in compliance with the applicable authorisation plan⁶, entailing a decision to dispose of public authority funds⁷ and, where applicable, a guarantee that the premises in which the equipment is to be placed are suitable and/or that negotiations according to the Swedish Employment (Co-Determination in the Workplace) Act or equivalent negotiations have been completed.

2.4 When a purchase falls within the framework of the exceptions regulated in the Public Procurement Act (2007:1091) Chapter 1, Sections 3-8, the department concerned is to document the reasons in a decision on the matter, which is to be registered and archived.

2.5 When a purchase meets the conditions regulated in the Public Procurement Act (2007:1091) Chapter 4 Sections 2, 5, 7 and 8, the department concerned is to document the reasons in a decision on the matter, which is to be registered and archived, unless the conditions in the abovementioned legislation are met as a result of an ongoing procurement procedure.

2.6 If the University is incurred costs from the handling of purchasing, the head of the administration will decide on further management on a "case by case" basis. The basic principle is that the department or the departments that, due to carelessness, has/have caused the costs also must bear these costs.

2.7 The Finance Division is to conduct annual checks to follow up on contract compliance and report the result to the administration management and to the Purchasing Council. The administration management is here understood as the University's administrative management group.

⁶ Regulated in the Delegation Rules/Authorisation Rules (see note 3)

⁷ Förordning (2006:606) om myndigheters bokföring, Section 22 (Ordinance on public agency bookkeeping)

3. Roles and responsibilities

3.1 The departments and the Finance Division

- cooperate on tactical and strategic purchasing matters through reference groups in procurement processes, product category teams and the Purchasing Council

3.1.1 The reference group in an individual procurement process

- constitutes a reference group in an individual procurement process
 - consists of department representatives or equivalents who have been authorized by their management, represents their organisation and their colleagues, contributes with knowledge and experience, participates actively in the whole procurement process, specifies requirements for goods/services on the basis of the demands of the organisation and takes part in evaluations and decisions based on the requirements
 - is designed for each procurement process and is managed by the procurement officer

3.1.2 Product category team

- constitutes a permanent reference group in common matters regarding purchasing strategies such as procurement processes, range strategies, supplier strategies, E-commerce and follow-up on contract within each product category
 - consists of representatives from the departments (or equivalents) and the Finance Division and is, when necessary, complemented with technicians, economists, subject specialists, etc.
 - is to be established as required and is managed by the head of the Finance Division

3.1.3 Purchasing Council

- provides support in purchasing strategic considerations
 - prepares general decision making on purchasing matters, e.g. changes to policies or regulations
 - constitutes an opportunity of reconciliation where strategic purchasing operations connects to other university-wide strategies
 - consists of representatives from department-, faculty- and University management and the management and head of procurement
 - is to be established by the Vice-Chancellor

3.2 The departments

- manage procurement processes below the European Commission's threshold value which are not of common interest to the whole University and call-off contracts, as well as second competitions on the basis of existing framework agreements, as long as these involve a value below the European Commission's threshold value

3.2.1 The head of department

Considering work related to purchasing, the management responsibilities of the head of department include:

- ensuring that the department's purchases are made in compliance with applicable targets, laws, rules and guidelines
 - leading, coordinating and allocating the department's purchasing work,
 - appointing purchasing coordinators

- ensuring that staff working with purchasing have the necessary expertise

3.2.2 Purchasing coordinator

- appointed by the head of department or equivalent
- serving as a contact person regarding purchasing matters
- circulates information within the department enabling that purchasing is performed accurately
- has basic knowledge of applicable rules and guidelines within purchasing

Details of the purchasing coordinator currently appointed are to be registered and updated in the University's staff directory. The purchasing coordinator is to participate in compulsory training.

3.3 The Finance Division

- manages all procurements above the European Commission's threshold value
- assists in second competitions above the European Commission's threshold value

3.3.1 Head of the Finance Division

- manages the strategic work with purchasing operations
- forms and manages the product category teams
- decides on procurement matters to be managed by the Finance Division
- takes award decisions and signs agreements regarding procurements managed by the Finance Division
- decides when governmental framework agreements are to be used or when to initiate a proprietary procurement of a framework agreement
- manages appeals and represents the University in court regarding procurements managed by the Finance Division
- provides requisite expertise as support to the entire University
- provides support in the interpretation of relevant EU directives and other relevant legislation

Changes to the regulations have been negotiated in compliance with Section 11 of the Swedish Employment (Co-Determination in the Workplace) Act on May 28, 2013.

Entry into force

Present regulations enter into force as of December 12, 2013.