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OÉ Gaillimh

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Uachtarán

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President

12 January, 2018

Ms Margaret Falsey
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2

Dear Ms Falsey,

Thank you for your correspondence of 15 December, 2017 with regard to the 2016 Financial Statements of Ollscoil na hÉireann Gaillimh, and which includes a request for further information in relation to the highlighted non-competitive procurement of €600,000 of goods and services.

Following consultation with my colleagues in the Procurement and Contracts Office, we provide explanation notes for each of the items raised. For your convenience, we are attaching a spreadsheet that outlines that detail:

- The circumstances that gave rise to the practice;
- The nature of the contracts;
- The steps being taken to prevent such cases arising again.

The University is very mindful of procurement requirements, and we are actively addressing any previous non-compliance issues. While non-compliance of the amount of €600,000 is less than 1% of our procurable expenditure for 2015-16, we do not see this as an acceptable departure. We have included in our attached response the steps being taken to prevent non-compliance.

I hope you find this information helpful. I look forward to working with you and your colleagues in our shared interest in public accountability.

If you and/or the Committee members have any further questions or comments in this regard, do not hesitate to contact my office.

Yours sincerely,

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C&AG 2016 Audit

Procurement non-compliance

					PAC Questions + Responses		
No.	NUIG Budget Holder	Supplier	Non-compliant amount	C&AG comment (28/8/2017)	Circumstances that gave rise to this practice?	Nature of Contract?	Corrective Action Taken?
1	A	I	20,594	The audit notes that this supply has been recently tendered.	Various Budget Holders using the same supplier.	Laboratories consulables	Now part of a new contract
2	B	II	21,265	The audit notes the explanations provided and how the supply was originally obtained.	Various consultancy projects, of differing requirements for different budget holders.	Professional Services relating to reviews	These type of services were recently advertised for tendered on the eTenders website under our contract reference CON448. We are now evaluating the responses received. Award expected in Q1 2018.
3	C	III	24,154	If the supplier is unique a sole supplier justification should be considered prior to purchasing a supply. The college entered into a three year contract with the supplier in the period.	Sole Source - this is the company to develop the University Rankings	Purchase of Dataset information that is used in determining our position in the the International University Rankings	This is a unique "supply of information" and therefore cannot be provided by any other supplier. Sole A Source process is now complete and has been approved and signed off.
4	D	IV	26,798	All non-compliant, based on Aggregation.	Various Budget Holders using the same supplier.	Medical supplies	A new tendered contract is in place since June 2017
5	E	V	36,347	All non-compliant; The audit notes the steps taken to rectify the procurement issue going forward	Separate survey requirements with very different aspects and populations - however with the same supplier.	Attitude surveys that are representative of the population in terms of demographics and geographical distribution.	We have recently sent a PSR request to the OGP in order to ascertain a sourcing partner. It is anticipated this will be out the market tender in Q2 2018.
6	F	VI	54,415	This was tendered in 2007 for three years. There is no contract in place with the supplier in relation to this service. The contract management system will be considered for review in future audits.	This service was procured in 2007 in compliance with EU Procurement Directives, with the intention that the building/service would be delivered over an estimated three year period. Ultimately, the services were provided over a longer period and the building was completed in 2017. This is not unusual in the case of capital projects, where capital funding allocations and the timing of same can impact the implementation of the service/building, as happened in the case of this building.	This contract was for works related services- Cost Management and Quantity Surveying services for the Human Biology building. It was a contract for an itemised service set out in the tender document (5 stages of work including at design, construction, handover through to final account)	As per the new directives, works related services no longer require the specification of a contract period. This should address the C&AG comment on all new contracts.

7	G	VII	88,828	All non-compliant. The tender provided does not relate to the supplies in the period.	This contract was advertised on e-tenders in 2013 and it was clear from the subsequent invitation to tender letter that this was to be a sample project for pricing purposes the result of which would lead to a framework for future retro-fit installations. The initial advertisement may not have been sufficiently clear as to the framework, but the invitation letter was clear. The tender was highly competitive, eight companies submitted tenders. The framework was to operate for three years, with an option to extend by a further two.	This spend relates to the supply and installation (retro-fit) of energy efficient LED lighting in university buildings.	Frameworks are now clearly identified in all tender notifications. It is our intention that the framework for LED lighting will be retendered in 2018.
8	H	VIII	99,694	The audit notes that NUIG obtained three quotes and there was no open market tender process completed.	This relates to a high priority minor works project procured in 2016 at the end of a minor works framework that had been in place for this type of work. Three contractors from the framework were invited to submit tenders (having confirmed they were in a position to tender for, and carry out, the works if awarded the contract) and two tenders were received. The Tender Report confirmed that the Burns tender formed a suitable basis on which to let the main contract, which the University did. It is also worth noting that the pre-tender estimate by the designer had indicated a contract value of under €50,000, for which seeking three quotations was the relevant procedure. A separate tender process was in train for a new minor works framework at the time; the new framework is now in place.	Research Laboratory Refurbishment Works Contract.	A new Minor Works Framework is now in place; mini competitions are conducted within that Framework.
9	I	IX	202,669	All non-compliant. The previous tender is too old and cannot be relied on. The audit notes that single supplier justifications will be completed in future for rental and use of facilities however it will have to be shown that there are no acceptable alternatives.) The following update was received from NUIG. <i>Our renewal of contract for the Sports Centre Operator issued to the marketplace earlier this year and is now at "Award Stage". This expenditure for the use of facilities for exams etc. so has been incorporated in to the "required services" so going forward this will no longer be an issue.</i>	Awaiting appointment of our Director of Sport in order to ensure that the appropriate Scope of Services were sought in our competition documents.	Sports Centre Operator	Contract awarded in early October 2017 and the Licence Agreement was signed in November 2017.
			574,763				