



Sveriges lantbruksuniversitet  
Swedish University of Agricultural Sciences

## GOVERNING DOCUMENT

Subject area: Financial administration, procurement, foundations and companies

Document type: Directions	Decision date: 16 April 2019
Decision-maker: Head of Financial Administration	Effective date: 16 April 2019
Organisational unit: Division of Financial Administration/Purchasing and Procurement Unit	Valid until: [Date]
Reference: Henning Richardsson	To be updated before: [Date]

Appendix to: Policy and guidelines for purchases at SLU, 16 April 2019

## Directions for purchases at SLU

The directions include the whole process, from need to delivery, including orders in the e-commerce system Proceedo, and the requirements set for the person ordering.

*This translated document refers to “Policy och riktlinjer för inköp vid SLU” (SLU ua 2019.2.4.4-280) and appendix “Anvisningar för inköp vid SLU” (SLU ua 2019.2.4.4-981), dated 16/04/2019.*

### Target group

Purchasers, decision-makers, administrative purchase role, and others participating in the SLU purchasing process.

## **1. Introduction**

### **1.1 Background**

SLU must carry out business-like and cost-efficient purchases within the framework of the law.

As a government agency, SLU must adhere to the applicable legislation and directives pertaining to purchases, such as the Swedish Public Procurement Act (LOU), and the EU Directives on which it is based. SLU is also required to establish internal regulations and procedures for purchasing activities. These regulations constitute a complement to the legislation.

### **1.2 Aim**

The aim of these directions is to provide coherent instructions for all departments and units of the university, coordinated with other guidelines established at SLU. The aim is also to ensure that external regulations are respected, that all purchases are made in a business-like manner, and that competition is utilised and promoted in the long term. The directions, along with Proceedo, are also aimed to make the most of opportunities for cost-efficiency and coordination.

### **1.3 Purchasing organisation**

SLU is to have a professional purchasing organisation, which contributes to an efficient and quality-assured purchasing process.

The central purchasing and procurement unit is to contribute to making good deals within the SLU core and support activities. The unit has procurement officers and e-commerce coordinators, who provide support and information to the organisation in purchases, provide regulation and directions, system support for e-commerce orders (Proceedo), conduct procurements etc.

Each department/unit must have a person in a purchasing role who acts as a link between the purchasing and procurement unit and the orderers within the department/unit. This purchasing role is a support function for the department/unit with regard to purchasing information and coordination of purchases. The role entails work in Proceedo, and first-hand support to the orderers within their own department/unit (the purchasing and procurement unit holds the ultimate responsibility).

Each department/unit is also to have a number of Proceedo users. It is good to reduce the number of people in the role of orderer, in order to achieve as efficient a flow as possible. Orderers and authorisers must have undergone training in the e-commerce system, as well as applicable purchasing regulations, to get authorisation to use the system. Financial administrators who are not authorised as orderers only need to complete training in Proceedo.

There must be a product category team for the major product groups, which are established as needed by the head of purchasing and procurement. The product category team is to act as a reference group in joint purchasing strategy matters

pertaining to procurement, selection, e-commerce and agreement monitoring within each product category. The goal of the product category teams is to bring about improved control and follow up of current framework agreements. The team is led by a procurement officer, and consists of frequent orderers and/or people with other purchasing experience from the departments that order the greatest volumes within the concerned area, and other people such as specialists in the area where required.

## 2. Purchasing regulation

The following external and internal regulation is applicable to the purchasing activities at SLU:

### 2.1 Legislation

The primary legislation relating to purchasing in the public sector consists of

- ***the Public Procurement Act, LOU (SFS 2016:1145)***

LOU describes the process of public procurement. The principles of this act are based on European law: equal treatment, non-discrimination, transparency, proportionality and mutual recognition. This means that all suppliers are to be treated equally, all procurements are to be transparent and predictable, and are to be competitive. The provisions of LOU primarily regulate the procurement process, but also provide guidance for orders:

  - when the value of an order is under the limit for direct procurement, it may be carried out directly, without a prior formal procurement procedure.
  - orders above the limit for direct procurement must normally be preceded by a procurement process, otherwise it will be regarded as an illegal direct award of a public contract. LOU provides the few exceptions where public contracts may be awarded directly pursuant to LOU, even in cases where the value is above the limit.
  - orders above the direct procurement limit can also be made as call-off orders from a framework agreement, if such have been procured.
- ***the Ordinance on Coordination of Government Purchasing (1998:796)***

Ordinance containing provisions on framework agreements. The ordinance states that framework agreements or other joint agreements must be in place to cover products and services that authorities procure frequently, on a large scale or that are of a high value. Read more about framework agreements below.

- ***the Ordinance on the declaration of threshold values for public procurement (consecutive)***

This ordinance states the amount limit, i.e., the threshold value of procurements that must be exposed to competition within the EU, meaning that they must be advertised in the common database of the EU. As a rule, the threshold will be changed every other year.

The threshold is also used to calculate the amount limit under which direct procurement is allowed. Information on current thresholds is available on the internal web for purchasing and procurement, on the page “Purchasing limits”.

## **2.2 SLU governing documents**

Purchasing and procurement are the subject of several governing documents adopted through decision by the vice-chancellor:

- Policy and guidelines for purchases and procurement at SLU
- Policy and guidelines for entertainment and gifts at SLU, including boundaries
- Guidelines for card services at SLU
- Travel policy
- Environmental policy and the document Environmental considerations when purchasing for SLU

## **2.3 Internal purchasing regulations**

In conclusion, the following regulations apply to purchasing.

- All purchases must adhere to the Public Procurement Act (LOU).
- The form of purchase depends on the acquisition value.
- Framework agreements should be used wherever available, regardless of value.
- For purchases over SEK 100,000 but under the limit for direct procurement of non-contracted products/services, at least three suppliers shall be asked before an order is placed, where possible and relevant. Documentation is obligatory.
- For purchases above the limit for direct procurement, call-off orders must be made from existing framework agreements, or a procurement procedure must be completed.
- An investment decision is required for the procurement of any investment above the limit for direct procurement. For other procurements above the limit for direct procurement, a procurement decision is required, with the exception of framework agreements.
- The purchasing and procurement unit must be contacted prior to any purchase where a public procurement may be required.
- The main rule is that all purchases should be made in the e-commerce system (with a few exceptions).
- Training must be completed to become an authorised Proceedo user.
- Suppliers must be approved in accordance with the regulations in chapter 8 of the Financial Administration Handbook.

More on these regulations below.

## 2.4 Environmental considerations in purchasing

Environmental requirements must be set in any purchase, if doing so is possible and relevant to the purchased product/service, and in proportion to the value of the order.

In Proceedo, products considered a good environmental choice are marked with a special symbol.

Orderers should also contribute to minimising the environmental impact by planning their purchases, for example by coordinating orders to reduce the number of transports.

Read more in the SLU Environmental policy.

## 3. Order: flow from need to payment

In simplified terms, the order flow consists of the ladder



The flow is shown in more detail in the purchase process description (appendix). The figures stated in the process description refer to the titles below.

### 3.1 Calculate estimated value and determine acquisition form

For a single order, the estimated value of a purchase is calculated as the total value, for all of SLU, for purchases of the same product/service in a year. For a recurring order, the value is calculated based on the intended contract period, usually four years. When calculating the value, all costs related to the purchase must be included, such as service, maintenance, training, etc.

Any acquisition value over the threshold must go through public procurement, unless there is an applicable framework agreement. The law allows for very few exceptions from this rule.

If the acquisition is below the threshold value for direct procurement, the contract may be awarded directly. Direct procurement (direct purchasing) is a purchase made without requirements for a written tender procedure, which is used for acquisitions of lower value. Framework agreements shall be applied wherever available, even for values under the direct procurement threshold.

### **3.1.1 Purchases over SEK 100,000**

For purchases over 100,000 SEK but still under the limit for direct procurement of non-contracted products/services, tenders are to be collected from no less than three suppliers, where possible and relevant, in order to achieve effective competition. The tenderer that is the best overall in terms of price, quality, delivery terms, etc. is to be selected.

Direct procurements of a value higher than 100,000 SEK must be documented. For SLU, this means for all orders of products/services over 100,000 SEK, where there is no framework agreement, a special free text order template “Free text order to supplier – over 100,000 SEK” is to be used in Proceedo.

The orderer uses the free text order template to indicate which suppliers have been consulted, in what way competition has been safeguarded and reasons for selecting a certain supplier. If a procurement procedure has been completed, see section 3.3, the orderer need only refer to the procurement reference number. This information is saved internally, and will not be passed on to the supplier. The orderer must also save and register all documents relating to the purchase, such as agreements, tender documents, tenders submitted by other suppliers etc. The reference number of these documents is stated in the free text order, for internal use. The tender/registered agreement from the selected supplier is attached to the free text order.

### **3.2 Investment decision/Procurement decision**

For investments and construction over the direct procurement limit, the administrative process for investment decisions shall apply. Procurement of other products/services over the direct procurement limit requires a procurement decision before the procurement is carried out. However, exceptions are made for procurement of framework agreements without guaranteed volumes, which do not require a procurement or investment decision. Procurement and investment decisions are made in accordance with the delegation of authority.

Forms for procurement and investment decisions are available on intranet/support and service/purchasing and procurement.

Read more in “*Anvisningar för den administrativa processen vid investeringsbeslut*” (Directions for the administrative process in investment decisions).

### **3.3 Procurement**

If the value of the purchased product/service exceeds the direct procurement threshold, and the order cannot be made as a call-off order from a framework agreement, a formal procurement must be completed. In this case, contact must be made with the purchasing and procurement unit.

Procurement means drawing up tender documents based on an established need, which must contain requirements for the tender, information on how it will be evaluated, requirements

for the tendering supplier, the product/service in question, as well as information for future agreements, i.e., commercial terms and conditions. The tender documents are advertised in an electronic database; SLU is currently using the procurement tool Tendsign. For procurements over the threshold value, the procurement is advertised through the EU Public procurement database (TED). Submitted tenders are assessed and evaluated. Thereafter, an award decision is made. Contracts are finally entered with the supplier of the winning tender, following the expiration of the appeals period (standstill).

Detailed information on the procurement process is available on the intranet/support and service/purchasing and procurement.

The following regulation applies to the procedure:

- Procurements of framework agreements are to be conducted by the purchasing and procurement unit, with the exception of procurements for framework agreements relating to construction contracts, which may be conducted by the division of Facility Management . If possible, the framework agreement is to be procured so that it can be utilised by the whole university.
- Other procurements are to be conducted by the purchasing and procurement unit, with the exception of procurements for construction contracts, which may be conducted by the Division of Estate Management.

Any procurement that violates the provisions of LOU is considered an illegal direct award of a public contract. Sanctions against the illegal direct award of a public contract can be implemented by the Swedish Competition Authority, which is the acting supervisory authority.

After a completed procurement procedure, an order is made in Proceedo by the person who initiated the procurement, see section 3.1.1.

### **3.4 Call-offs on framework agreements and renewed competition**

Before any purchase, a check is made to see whether there is a framework agreement to use. When there is a framework agreement, the procurement process has already been completed, and you therefore save a lot of time by directly making call-off orders from these agreements. Local framework agreements that have been entered by SLU are found in e-commerce system. Most joint government agency framework agreements are made by Kammarkollegiet, and collected in their portal at [www.avropa.se](http://www.avropa.se).

Call-offs from framework agreements are made continuously, as needed during the agreement period. Call-off orders can be made either by turning directly to the agreed-upon supplier (if there is only one), by contacting the highest-ranked supplier, or alternatively by implementing renewed competition (if there is more than one supplier). The applicable method is specified in each respective framework agreement. Orders from suppliers that do not require renewed competition are made directly in Proceedo.

The products/services from suppliers that are ranked as no. 1 (or in cases where there is only one supplier in the agreement) are marked with a “thumbs up” in Proceedo.

If the framework agreement requires renewed competition (FKU), this is to be conducted prior to making an order in Proceedo. FKU means that a request is sent to all framework agreement suppliers, in accordance with the directions of the agreement. Detailed regulations on the FKU process are available on the intranet/support and service/purchasing and procurement.

Call-off orders from framework agreements can be made as a single order, or a coordinated request for similar orders over a longer period of time, e.g., one year, through a supply agreement.

All agreements, with the exception of single purchases, must be reconciled with the purchasing and procurement unit.

Once the call-off process is complete, the order is made in the e-commerce system.

### **3.5 Ordering in Proceedo**

Orders in Proceedo entail the following actions for the orderer: search product, register order proposal, send order to financial administrator and final authoriser, and finally confirm delivery in the system once the product/service has been delivered.

#### ***3.5.1 Search for product/service in the system***

The purchasing and procurement unit is responsible for entering suppliers and product lists into the system. Once the system is complete, all products/services for which there is a framework agreement will be found in Proceedo. If a product/service is missing in the system, a free text order can be completed by using the ready-made template, which prompts the system to send an order via e-mail to the supplier. When it comes to IT products, these orders first go to the Division of IT/IT coordinator, before being sent on to the financial administrator, final authoriser and thereafter to the supplier.

**Search and registration are described in more detail in the manuals for ordering in Proceedo. These manuals are available on the website through a link in the e-commerce system.**

#### ***3.5.2 Register order proposal***

An order proposal is registered by selecting one or more products from a catalogue or punchout (i.e. a link to the suppliers web shop) to put in the shopping basket, or by filling out a free text order or requisition form.



An account will be assigned automatically for the products/services that have been entered into the system. The user must provide reference number, project, cost centre, free text (where appropriate) and nature of the order. The order then passes via a financial administrator, who adjusts the account as needed, to authorisation.

### ***3.5.3 Submit to final authoriser***

The size of the amount determines who makes the final authorisation, in accordance with the delegation of authority.

The responsibility for finally authorising an order or an invoice is described in chapter 8 of the Financial Administration Handbook.

## **3.6 Account coding and final authorisation**

Reference number, cost centre, project and the nature of the purchase are always registered by the orderer. The system verifies that the combination of project and cost centre is valid. See the manual for ordering in Proceedo.

For free text orders, requisitions and other products/services where the product/service cannot be directed to a specified account, the system will enter account number 4999, which is then corrected by the financial administrator. The order is then passed on to the authoriser.

In some cases, where the purpose may be representation, car rental or inventory purchases, the invoice is directed to the orderer, in order to fulfil the requirements for complete authorisation material and correct accounting of VAT.

## **3.7 Confirm delivery in the system**

### ***3.7.1 Inspection of delivery – Products***

All products are to be inspected upon arrival. Any deviation or damage is to be noted on the consignment/delivery note. The person who ordered the products must inspect the delivery as soon as possible, and check that the delivered product conforms to the order. In case of a delivery and installation according to a procured agreement, the agreement terms of delivery must be observed, and agreed-upon delivery tests must be conducted. If the delivery is associated with a penalty clause in an agreement, the penalty must be proven. All contact with the supplier is to be in writing.

### ***3.7.2 Inspection of delivery – Services***

The orderer is informed by the supplier that the service has been performed in accordance with the order. Most often, the agreement or order will specify what is to be reported in order for a service to be approved. If the delivery is associated

with a penalty clause in an agreement, the penalty must be proven. All contact with the supplier is to be in writing.

### ***3.7.3 Complaints***

If the delivery deviates from the order, a complaint must immediately be made to the supplier. The complaint should specify what was ordered, when and by whom, as well as the supplier identification data, such as order number. The error/deviation is to be described, as well as how the supplier is to rectify the problem, and the date by which it is to be done. If SLU has incurred any additional costs as a result of the error/deviation, such as transport costs, a compensation claim must be specified.

Both the complaint and the reply of the supplier must be made in writing.

### ***3.7.4 Confirm delivery in Proceedo***

Only approved deliveries must be confirmed. Confirm quantity delivered. Any deviations from the order must be stated, so that they can be matched to the invoice when it arrives. If deliveries are made on more than one occasion, the confirmation of delivery can be repeated until the full delivery is completed, for example, if a product has been back-ordered. If a product has been delivered, but there has been a complaint, no delivery may be confirmed for this product until the error has been rectified and the delivery is correct (otherwise, the invoice will be paid).

### ***3.7.5 Register purchases of fixed assets etc.***

If the purchased product is a fixed asset, or if it is liable to be stolen, it must be registered in the SLU register of fixed assets. The fixed assets form is attached to the invoice in the e-commerce system, meaning that the financial administrator will have to handle the invoice in the e-commerce system. Regulations on fixed asset registrations can be found in chapter 9 of the Financial Administration Handbook.

## **3.8 Orders where registration in Proceedo is not necessary/possible**

### ***Travel orders***

Travel orders are made with the travel agency, through self-booking or direct contact, or directly with the travel provider (train, hotel, rental car, taxi). Information and links can be found on the SLU travel information site on the intranet. Proceedo contains information on the concerned agreements, with links to the SLU travel information site.

### ***Occupational health services***

Orders for occupational health services must not be made in Proceedo, due to confidentiality. Regulations and conditions for individual visits to the occupational health services are set by

the Division of Human Resources, and are described in more detail on the website of this division.

***Purchases that are not subject to VAT***

Purchases that are not subject to VAT, such as orders made to other public authorities and foreign suppliers who are not covered by a framework agreement, are exempt from the e-commerce requirement. Free text orders in Proceedo may be used in these cases nonetheless.

***Purchases made through private expenditure, or which are paid by card, for which SLU is liable for payment.***

Card orders over the internet, using the virtual department card, are carried out in accordance with the provisions of the Division of Financial Administration for the use of this card; for more details, see chapter 8 of the Financial Administration Handbook.

Card orders pursuant to framework agreements, such as petrol cards, can be ordered using a free text order in Proceedo, but this is not a requirement.

Direct purchases with private expenditure are registered in Primula. This practice can be used in emergencies, and is allowed provided that the direct procurement limit is respected, and that no purchase is made outside of applicable framework agreements. This exception should be used restrictively.

If an exception needs to be made from the electronic order policy due to an unforeseen emergency, this must be motivated upon request. This exception should be used restrictively.

***Purchases where the received invoice is simplified***

Applies to road tolls, car park tickets etc.

### **3.9 Invoice management**

Invoices and payments are managed in accordance with the regulations in chapter 8 of the Financial Administration Handbook.

In the invoicing system, invoices are automatically matched to the information provided at the time of ordering and delivery. If all the information is within the set limits, no manual processing is required in the invoicing system, and the invoice will pass directly to payment. If there are any deviations from the set limits, the invoice will also have to be processed in the invoicing system, according to the currently applicable flow.

### **Appendix**

Purchasing process description (flow chart from need to payment).