1. The Legal Position

EU legislation requires at any public sector organisation purchasing items of equipment with a value in excess of £144,371 (211,000 Euros) (excluding VAT) per annum must undertake such procurement through an EU Tender.

The value at which EU tendering must be undertaken is the aggregated value of each similar item of equipment over the financial year and across the organisation. Aggregation at departmental level to avoid exceeding the EU tender limit is not permitted.

2. The University of Greenwich Requirements

UoG purchases PCs to an annual value well in excess of the EU tender limit. The purchasing patterns are random, ranging each year from several hundreds of systems from earmarked funds through to ad hoc purchasing of single systems from revenue budgets. Although there are in general one, or at most two, large procurements in any year, revenue purchases occur throughout the year. It is only by the end of each year that the total number of PC systems purchased over that year is known. Frequently, time-scales between the decision to purchase and the required availability of the PC are very short.

Any form of tendering, no matter how simple, adds several weeks to the procurement process.

EC tendering requires:

1. the preparation of a formal specification of requirements (tender document)
2. the placement of an advertisement in the EC Journal
3. issue of the tender document to potential suppliers, on request
4. formal receipt of the tenders on the tender closing date
5. formal evaluation of the tenders against published criteria
6. award of contract to supply

moreover, typically takes three to four months from start to finish.

The PC procurement process must not only fulfil the legal obligations for open EC tendering but also at the same meet the University's requirement for:

1. indeterminate volumes
2. ad hoc demands
3. continuity of supply
4. variance in specifications
5. competitive pricing
6. avoidance of supplier "lock-in"
7. service and support
8. invoicing and delivery methods

3. Procurement Methodology

Because these regulations affect all Universities, several join together to form National procurement consortiums to act on behalf of the sector to undertake the EC tendering process for the supply of PCs to a University.

The objective of the tendering process is to select a small number of companies, (Currently 5), who will become "Authorised PC Suppliers" to the Consortium. Each University can use one of these suppliers (or conduct its own EC tender exercise). The contract with these suppliers is valid for a maximum period of five years before re-tendering must be undertaken.

The University then chooses from these suppliers (currently we use three but in 2008 will conduct an exercise to choose 1). These are Compusys/Stone; Dell; and Research Machines

Having selected the authorised suppliers for the University, there are no restrictions or external regulations that govern the orders that are placed with these suppliers. Thus for any purchase

- there is no limit to the size of the order
- the order may be placed with any one of the 3 suppliers (but with strong recommendation from ILS)
- suppliers who have failed to fulfil supply or service agreements can be "suspended"
- there is no obligation to purchase from a particular supplier just because they are cheapest

4. Supplier Evaluation and Selection

The selection of the University's Authorised Suppliers for PCs is obviously an important and critical process. Regular University/supplier meetings are held to focus on the suppliers' ability to provide the overall service required by the University - the actual price of a system is just one of many factors taken into account.

The evaluation covers a number of different areas including:

1. The financial health, size and stability of the company, e.g.:
   will it still be trading in 18 months?
   does it have sufficient capacity to supply large volumes of PCs in short time-scales?
   what other comparable organisations does it supply?
   what do these organisations feel about the service they are getting?
2. The reliability, stability, upgrade-ability, compatibility, maintainability and suitability of the suppliers systems.
   A detailed analysis of how the systems are constructed and what components are used is undertaken - approximately 75 different factors are considered to determine this.
3. The ability / willingness to meet specific delivery requirements, e.g.:
   disks partitioned to University of Greenwich specification ,
   UoG software sets pre-installed
   serial number and ethernet address information supplied to ILS prior to delivery
   UoG specific documentation included with each system
   removal of packaging for large installations
4. The ability / willingness to provide technical services, e.g.:
   prior notification of any component or module changes
   full documentation of component level revisions
   provision of evaluation units, on request, throughout contract
5. The quality and methodology of the maintenance and support services, e.g.:
   warranty periods
   on-site repair
   response times
   repair times
   call handling procedures
   escalation procedures
   system replacement criteria
6. System Costs, including:
   Worst-case maximum cost for 6 month period of various configurations
   Upgrade costs (memory, processor speed, monitor size, etc.)
   Component costs
   Quantity discounts
   Personal purchases by staff or students available at same cost?
7. Conformance with all EC & UK Health & Safety and Environmental regulations

Based on the above evaluation the short-list of suppliers is drawn up who are then required to provide the University with systems for evaluation. In this final stage, build quality, performance and other factors not apparent from the documentation are considered. A final selection of up to three suppliers is made.

5. On-Going Monitoring and Evaluation

ILS continuously monitors the performance of the suppliers, e.g.:

>   are systems being delivered on time
>   what are the "dead-on-arrival" rates
>   how reliable are the systems
>   how good is the repair service

When it is felt that a supplier is falling below acceptable levels of performance they are "suspended"; that is, no further orders are placed with that supplier until outstanding issues are satisfactorily rectified.

Whenever the specification of systems is about to be changed (e.g. a different motherboard, or processor specification) machines are obtained, on loan, for evaluation before any purchases are made. Thus, we can ensure that when a system is purchased on behalf of a user it will actually work as expected.

By acting as a central agency through which all PC purchases are channelled, ILS is able, through its on-going monitoring and evaluation processes, to avoid a number of problems that would otherwise occur and ensure that the University's suppliers maintain satisfactory levels of service.

6. Items to Note

1. EC regulations require that all PC systems purchased by the University have been procured via an appropriate EC tendering process.
2. The University complies with this regulation by selecting Authorised PC Suppliers via the national procurement consortia
3. Under EC regulations, PCs may ONLY be purchased from the University's Authorised suppliers.

It is not uncommon for departmental technicians to claim that they can get a better / faster / cheaper PC from elsewhere, rather than from "ILS".

Regardless or not of whether this is true, it is very irrelevant. The University cannot consider purchasing from other than its appointed suppliers unless it decides to undertake a (lengthy and costly) re-tendering exercise.

It must be remembered that all companies have an equal opportunity under EC tender to be considered as University suppliers. If they are not one of the University's Authorised suppliers then this will be for one or more of the following reasons:

1. they chose not respond to the University's invitation to tender
2. they failed to satisfy the University as to their financial stability
3. they were given unsatisfactory references from companies to whom they have supplied systems
4. their systems were found to be technically inferior to those of other suppliers
5. the build quality of their systems was inferior
6. they did not have adequate technical support services
7. they were unable or unwilling to comply with the University's delivery requirements

8. their post-sales maintenance and support services were deficient
9. the systems or their components were not competitively priced

Note: On those occasions when such claims of "faster / better / cheaper" have been examined, they have not stood up to scrutiny. In general, comparisons have been shown not to be "like-for-like".