To the Chief Executive Officers/Chairpersons of Vocational Education Committees


The attention of Chief Executive Officers/Chairpersons is drawn to the following good practice guidelines in relation to contracts for the provision of goods and/or services.

1. Evaluation of proposals

Before entering into a contract/agreement, any proposal must be evaluated in detail in order to establish:

- That the proposal is of clear benefit to the VEC,
- That expenditure on the proposal will represent value for money;
- That the third party has the capacity to provide the goods and/or services contracted for;
- That thorough and robust due diligence is undertaken in relation to the third party prior to entering into a contract.

Once the evaluation has been completed, a memorandum should be prepared to include a summary of, and a conclusion to, the evaluation. The memorandum should be signed by those who undertook the work and approved by the CEO.

2. Procurement

As the ultimate owners of, and investors in, State Bodies, including VECs, citizens and taxpayers have an important and legitimate interest in the achievement of value for money in the State sector. Whether commissioning public services or providing them directly, VECs have a duty to strive for economy, efficiency, transparency and effectiveness in their expenditure.

It is the responsibility of the Committee to satisfy itself that the requirements for public procurement are adhered to and to be fully conversant with the current value thresholds for the application of EU and national procurement rules.
Competitive tendering should be standard procedure in the procurement process of VECs. VEC management, and ultimately the Committee, should ensure that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with procurement policy and guidelines.

In this regard, EU Directives and national regulations impose legal obligations on public bodies in regard to advertising and the use of objective tendering procedures for awarding contracts above certain value thresholds. Even in the case of procurement which might not be subject to the full scope of EU Directives, such as certain ‘non-priority’ services or service concessions, the EU Commission and European Court of Justice have ruled that EU Treaty principles must be observed.

The National Public Procurement Policy Framework requires that all non-commercial state bodies, including VECs, complete a Corporate Procurement Plan. This plan is underpinned by analysis of expenditure on procurement and the procurement and purchasing structures in the organisation. The plan should set practical and strategic aims and objectives for improved procurement outcomes and appropriate measures to achieve these aims should be implemented. The Chairperson should, following a formal resolution of the Committee, in the annual report to the Minister for Education and Skills affirm adherence to the relevant procurement policy and procedures and the development and implementation of the Corporate Procurement Plan.

VECs must ensure that the Tax Clearance requirements set out in Department of Finance Circular 44/06 (21 December 2006), as regards the payment of grants, subsidies and similar type payments, and Department of Finance Circular 43/06 as regards Public Sector Contracts, are fully adhered to.

Information on procurement policy and general guidance on procurement matters is published by the National Public Procurement Policy Unit. This can be viewed or downloaded from the national public procurement website [www.etenders.gov.ie](http://www.etenders.gov.ie)

3. Borrowing and Leasing

CEOs are reminded that that all borrowing, including leasing arrangements, must be approved in advance by the Committee and the Minister for Education and Skills.

4. Losses

All losses must be reported promptly to the Department and to the Office of the Comptroller and Auditor General.

5. Appropriate Funding Source

You are reminded that funds must only be used by the VEC for the purposes for which they were provided by the Department. The conditions attaching to the expenditure of ordinary non-pay funding are set out in the annual letter of determination, as are the Minister’s expectations regarding the prioritisation of services by a VEC. In particular, VECs should not use ordinary non-pay funding for IT research and development projects to develop new teaching methods and technologies.

If a VEC is considering expenditure on IT research and development, to develop “cutting edge” IT classroom-teaching tools or other such innovative IT projects it must, in addition to the steps set out at 1 above, ensure itself that it has the capacity to fully evaluate the proposal
from a technical perspective. It must also obtain the approval of the Department in advance of entering into any commitment in this regard.

CEOs should be aware that the National Centre for Technology in Education (NCTE) is available to provide advice and assistance to schools and VECs on all aspects of the implementation of ICT into teaching and learning. The NCTE may be in a position to offer a view as to whether an innovative ICT project has some merit or whether the proposed project fits with programmes such as the ICT in Schools initiative.

If you have any queries regarding this circular letter please contact the VEC Financial and Administrative Personnel section (Tel: 09064 83767, Fax: 09064 84058, Email: financialvec@education.gov.ie).

This circular can be accessed on the Department of Education and Skills web page: www.education.ie.

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