



Swiss International
Institute Lausanne

POLICY AND PROCEDURE ON ENGAGEMENT OF EXTERNALLY CONTRACTED SERVICE PROVIDERS

Swiss International Institute Lausanne - SIIL

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I PURPOSE

The purpose of this Policy is to set down clear guidelines for the appropriate engagement of externally contracted services to include the occasions on which such contractors should and should not be engaged and the processes by which the engagements will be approved, monitored and reported.

II GENERAL PRINCIPLES

The following are the general principles that underpin this policy and procedure:

1. Initial approval to proceed

- A robust business case should be prepared by the hiring lead in advance of any actions being taken to advance the sourcing of externally contracted services.
- Each business case is to be approved by the relevant Approving Officer (as defined in 4.1) whose approval signifies satisfaction with the proposal (see Approval Form).
- The Approving Officer remains accountable for the budget for the duration of the term of the engagement.
- The principle of independent approval to be followed and deviations from this are not permitted.

2. Recruitment

An external service provider being considered for selection and engagement should be a preferred supplier to SIIIL, as appointed by Operations Office.

Recruitment processes to identify suitable candidates should follow similar principles as those currently employed by Human Resources for the recruitment of SIIIL employees and such processes should ensure:

- transparency
- fairness
- an openness to competition
- conflicts of interest are avoided (e.g. externals not selecting own colleagues, externals not evaluating tenders their firms are involved in, etc.)
- the assessment of applications and selection/interview process is transparent.

3. Purchase Orders and Invoices

The principle of independent approval to be followed at all times, no one individual should be raising and approving their own requisition and approving their own costs. A requisition for externally contracted services should be raised by a SIIIL employee; an external service provider should not raise requisitions for services from their own provider.

4. Reporting & Monitoring

The total costs of all externally contracted services are to be captured and regularly reported at a senior level at the Operations Office.

Regular monitoring is required and should:

- challenge the ongoing need,
- assure that deliverables in business case being met.

Every individual contracted under this policy should have a line manager who is a SIIIL employee.

The principle of seniority applies i.e. people managing or approving anything to do with externally contracted services should be at a more senior level and capable of mounting a challenge with the authority to do so.

III SCOPE OF POLICY AND DEFINITION OF EXTERNALLY CONTRACTED SERVICES

This Policy covers in the first instance third-party contractors (usually companies or partnerships) who are paid a daily, weekly or monthly rate for their work and whose work consists for the main part in providing “labour only” services such as staff resources. Typically, such staff resources will be employed by the third-party contractor but will be working in SIIIL, providing services to SIIIL and reporting to a SIIIL employee. Often, such staff resources will be providing services exclusively to SIIIL for the duration of the engagement, but in certain cases they may via their employer also be providing services to other clients of the employer. As mentioned above, the staff resource will typically not be employed by SIIIL but may be fulfilling the work of a SIIIL post on a temporary basis and might appear by name in SIIIL web sites, on SIIIL email lists, telephone directories etc. during their temporary engagement. While the contract may be with the company or firm, it may be based on a named, individual person providing the service to SIIIL. This Policy applies to all relevant third-party contractors regardless of the funding source e.g. State grant, EU funding, philanthropy/donation or commercial income.

This Policy does not cover External Contractors who provide services under a separately tendered project such as legal services, audit services etc. Usually, in such cases the staff of those contractors are not paid for by SIIIL on a daily, weekly or monthly rate for their work as their work usually forms part of a fixed price contract for the delivery of a project or defined assignment such as building design, an annual financial audit or a piece of legal, financial or investment advice or report. For the most part, such assignments are delivered from the offices of the External Contractor not from the offices of SIIIL although they may occupy offices in SIIIL as the need arises during the assignment. Generally, such External Contractors will not be exclusively providing services to SIIIL and will not be fulfilling the work of a SIIIL post on a temporary basis or appearing by name in SIIIL web sites, on SIIIL email lists, telephone directories etc. during their assignment. In addition, there are a small number of

independent, verification roles where it is accepted that a SIIIL contract of employment would be unlikely to be appropriate.

IV CONSIDERATIONS BEFORE ENGAGING EXTERNALLY CONTRACTED SERVICES

Externally Contracted Services as defined above should only be engaged on the basis of a written business case approved in writing or by email in advance by one of the following five Approving Officers:

Rector, Operations Office Director, Academic Office Director, Quality Assurance Office Director, Student Office Director. The written business case will be recommended to the Approving Officer by a senior SIIIL staff member and budget holder typically at the level of Faculty or Office. The business case cannot be recommended by an External Contractor.

Procedure

In order to avoid any unnecessary deployment of resources, the business case should be approved by the Approving Officer at an early stage in the process and prior to the later approval of the individual firm and contractor. Such approval shall be confirmed by email and attached to the Approval Form.

The following points must be included in the business case:

- Duration of the proposed contract and reason for that duration.
- Total maximum cost of the contract inclusive of VAT, justification for that cost, value for money and source of funding. HR can provide advice on comparable SIIIL employment contract costs for similar work.

After approval of the Business Case:

If the business case has been approved by the Approving Officer, the following points should be confirmed to the Approving Officer:

- A demonstration of independence, fairness and transparency in the selection/interview process is required.
- Clarification that no conflicts of interest exist either in the engagement process or in the ongoing role once the contractors are engaged.
- Confirmation by email from the Operations Office that all necessary procurement requirements have been met.

V FORMAL ENGAGEMENT

The external supplier must be engaged under a written contract using standard SIIIL terms and conditions. If necessary or if there is a deviation from the standard SIIIL terms and conditions, legal advice should be obtained in advance. The costs of that legal advice must be included in the business case and borne by the budget of the Office or Unit involved. In any case where there is a conflict between the SIIIL terms and conditions and the terms of business of the External Contractor, the written contract must specify that the SIIIL terms and conditions will prevail.

VI POST CONTRACT EVALUATION

Once the contract is completed or if it is proposed to extend the contract, an evaluation of the contract must be conducted to include performance, delivery and fulfilment of operational and financial targets as set out in the business case and presented to the Approving Officer.

VII ONGOING MONITORING

Each month each of the five Approving Officers will receive from the relevant HR Officer a listing of all arrangements in place which are within the scope of this Policy. The listing will report on each arrangement including the following details: name of contractor and individual involved; cost per day, week, month; number of days worked; cost incurred during previous month; start and finish date of arrangement; expected total cost and cumulative costs incurred to date, confirmation that costs incurred are within the approved amounts. The reports should include all relevant arrangements, including those which were in existence prior to the adoption of this Policy. Those pre-existing arrangements should be made subject to the Policy as soon as possible after its adoption.

Each month the Approving Officer will assess the report, confirm that the arrangements are in compliance with this Policy and forward it for information to the Executive Secretary. The Executive Secretary will conduct a sample to verify that the steps outlined in the Policy had been correctly taken.

VIII PROCEDURE TO RAISE PURCHASE ORDERS

To ensure that the internal control in relation to the engagement of individual contractors is strong there is a requirement to have a standard process across the SII in relation to the raising and approving of Purchase Orders (PO).

Individual contractors required to submit a monthly timesheet to their local manager who must be an employee of SII, not an individual contractor.

Manager signs the timesheet and sends to the local PO requester to set up the PO with the timesheet attached.

Specific categories in procurement will be used so that POs for the framework suppliers can only be charged to the specific categories e.g. consultancy fees, agency fees – recruitment.

One PO for the total cost of the engagement, as approved by the Approving Officer and as specified in the business case and inclusive of VAT, should be raised and routed to the appropriate authority level.

Externals cannot raise PO or approve their own invoice for receipting.

Invoices are supported by adequate information to enable validating the charge before receipting against the PO and the approver is in a position and has the knowledge to challenge the information.

Rates should not be changed throughout the term. However, if for some reason it becomes necessary this should trigger a re-assessment by the Approving Officer who approved the initial business case. Manager instructs the PO requestor to “Goods Receipt” (GR) the PO with the relevant number of days worked. The GR must include the following information in addition to the name of the Framework provider:

- Individual Contractor Name
- Project
- Nature of work
- Billing Month
- Number of days worked
- Rate per day, per week

Once approved by the budget holder, the PO along with the signed timesheet will be automatically issued to the framework provider.

The framework provider will submit an invoice to Finance unit. The invoice will be paid once the 3-way match is completed (PO/GR/Invoice).

IX EXTERNALLY CONTRACTED SERVICES APPROVAL FORM

Instructions:

- -To be completed in conjunction with the requirements of the Policy and Procedure on Engaging Externally Contracted Service Providers (link);
- All sections must be completed;
- Completed form, and relevant attachments, and to be submitted via email to relevant Faculty Dean / Chief Officer for approval.

Section 1: Summary information

1.1 Assignment / Task name	
1.2 Reference (if any) and budget code	
1.3 Contractor Company	
1.4 Job title for the Externally Contracted Services role	
1.5 Duration of the contract (should not exceed 6 months)	
1.6 Justification for duration	
1.7 Start date of contract	
1.8 Initial or second contract (for this role)	

Section 2: Background Information

Provide business case and justification for using Externally Contracted Services:

Explain why other alternatives are not recommended:
(Such as internal or external recruitment to a SIIL post of employment, internal transfer, creation of a new SIIL post etc.)

Detail any specialist skills/capabilities or experience required for the post, and explain why they cannot be provided by the alternative means in 2.2:

Provide summary of:

Role;

Responsibilities;

Deliverables;

Reporting arrangements (both to whom will the person report and who will report to the person);

Skills transfer to SIIL employees (where appropriate).

Provide the following cost details:

Total cost of the contract inclusive of VAT for the period of engagement;

Justification for that cost;

Value for money;

Source of funding;

Specify the equivalent SIIL position and salary level.

Explain what will occur at the end of the contract duration with the consideration of transfer of skills:

Section 3: Attached documentation

	Attached	Not applicable
Email from the Approving Officer confirming approval of the business case	<input type="checkbox"/>	<input type="checkbox"/>
Proposals from the external suppliers	<input type="checkbox"/>	<input type="checkbox"/>
Operations Office confirmation that all necessary procurement requirements have been met (email is sufficient)	<input type="checkbox"/>	<input type="checkbox"/>
Details of job descriptions, CV/ skills assessments, candidate interviews carried out with contractors or individual candidates	<input type="checkbox"/>	<input type="checkbox"/>

Section 4: Compliance

I confirm that:	Yes	Not applicable
The contract will not be extended or the approved cost altered without a further written business case and approval from the Approving Officer (see Policy and Procedure on Engaging Externally Contracted Service Providers).	<input type="checkbox"/>	<input type="checkbox"/>
The post or service involved has not previously been provided by an external contractor.	<input type="checkbox"/>	<input type="checkbox"/>
If this form is requesting initial approval, that the contract does not exceed six months.	<input type="checkbox"/>	<input type="checkbox"/>
If this form is requesting second approval, that the contract does not exceed further six months.	<input type="checkbox"/>	<input type="checkbox"/>
No conflicts of interest exist either in the engagement process or in the ongoing role once the contractors are engaged.	<input type="checkbox"/>	<input type="checkbox"/>

Submitted by:

Print name

Signed:

Date:

Agreed by: (Head of Faculty/ Unit / Office)

Print name

Signed:

Date:

Approving Officer

By signing below I confirm the following:

I have reviewed the business case and I am satisfied that the recruitment of an external resource is necessary and justified for the term and cost specified.

I have received CVs of the personnel proposed by each of the framework partners or tendering bodies, who have been given an equal opportunity to bid.

I have reviewed all the CVs and I am satisfied that the proposed person is capable of meeting the requirements and is the best choice.

I am satisfied that the proposed basis for contracting the resource (rate or contract, the amounts etc.) is the most cost effective one.

I have satisfied myself that the resource employed will be appropriately managed and will report to a more senior SIIL employee and that a satisfactory basis for validating costs invoiced is in place.

Approved by: (Rector/Faculty Dean/Office Director)

Print name

Signed:

Date:

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