

DEPARTMENT OF THE TAOISEACH

POLICY ON PROCUREMENT AND PAYMENTS TO SUPPLIERS

The Department of the Taoiseach is committed to achieving value for money in the procurement of supplies and services essential to support its work in providing high quality service to the Taoiseach and Government in a cost effective and efficient manner. Procurement by the Department takes place in the context of [EU Directive 24 of 2014](#) and supported by [Procurement Guidelines](#) published by the Department of Finance. The guiding principles are transparency and openness of competition. The Department participates fully in on-going initiatives of the [Office of Government Procurement](#) (OGP), focusing especially on achieving procurement savings, including the use of shared framework agreements for the provision of an increasing number of categories of supplies and services. The Department is committed to facilitating access to procurement opportunities for small and medium sized enterprises (SMEs).

How We Purchase

Procurement of goods and services by the Department is on the basis of competitive tendering. Award of tenders without a competitive process is only permitted in exceptional circumstance and then only in conformity with criteria set down in EU Directive 24 of 2014. The following are the tendering methods used having regard to the estimated value of the contract:

- All procurements above €25,000 are advertised on eTenders and those over €144,000 are also advertised in the Official Journal of the European Union;
- For all procurements under €25,000 specifications are circulated to at least three suppliers.

What We Purchase

The following is a broad indication of the main areas in which the Department purchases goods and services:

Communications and ICT Equipment and Services

Increasingly the needs of Information Systems Division are met from Office of Government Procurement central framework agreements. Such agreements are in place for the purchase of desktop computers, laptops, printers, and mobile phone services. Details of these arrangements may be viewed at [ICT Procurement](#).

When the Department has a requirement for other ICT services and equipment the relevant competitive tendering method is used.

Facilities Management Supplies & Services

Stationery and office consumables are generally procured on the basis of centralised draw-down contracts awarded by the Office of Government Procurement, including cleaning services, security services and waste management. Services may be procured directly by the Department from time to time.

Publication of Purchase Orders over €20,000

As required under the Public Service Reform Plan published in November 2011, the Department publishes [Purchase Orders for €20,000](#) or over on our website on a quarterly basis.

Payments to Suppliers

Payment of invoices by the Department is governed by the Prompt Payment of Accounts Act, 1997 as amended by the European Communities (Late Payment in Commercial Transactions) Regulations 2012. The following is the Department of the Taoiseach's Policy in relation to the payment of invoices to suppliers:

The Department of the Taoiseach's Commitment:

- To pay suppliers within a timeframe of 30 days while striving to meet the 15 day timeframe. The 15 day period will commence from the day on which the valid invoice is received by post or by email;
- To monitor invoices received to ensure that payments are processed in a timely manner;
- To give clear guidance to suppliers on their role in ensuring the timely payment of invoices; and
- To deal with invalid and disputed invoices in an efficient and timely manner.

Tax Compliance

The Department of the Taoiseach requires all suppliers to be tax compliant and submit a tax reference number when requested. Tax numbers should be quoted on **all** invoices submitted.

Valid Invoice

Payment will only be made on submission of original valid invoices (hard copy or e-invoice) by a supplier. Payment will not be made on submission of statements or pro-forma invoices. The Department of the Taoiseach can only pay invoices once goods and /or services have been received. E-invoices should be sent to finance.unit@taoiseach.gov.ie.

A valid invoice must include the following:

- Date of issue
- Supplier's name and full address including Eircode
- Supplier's email address
- Unique Invoice Number
- Purchase Order Number
- Tax/PPS Number & VAT number (if applicable) of the Company / Individual
- A clear description of the work/services carried out/provided and goods delivered
- Amount in euro or sterling

Should an invoice fail to comply with the above requirements, it will be deemed invalid and the supplier will be notified in writing and advised of the reason the invoice is invalid.

Disputed Invoices

Where an invoice is disputed or if clarification in relation to an invoice is required, the supplier will be contacted. Payment will only be made once the issues have been resolved.

Payment Method

The Department of the Taoiseach pays for goods and services by way of Electronic Funds Transfer (EFT). When a payment is made by EFT, a notification of the payment (Remittance Advice) will be sent to the supplier's e-mail address provided.

Publication of Supplier Payments Reports

As required, the Department publishes Supplier Payment Reports and Invoices paid in Excess of €20,000 Report on our website, on a quarterly basis.

Any queries in relation to the payment of invoices should be sent to finance.unit@taoiseach.gov.ie

Prompt Payments

The Department is committed to making every effort to pay its suppliers promptly. In this regard, suppliers can help by ensuring that:

- Correct invoices are sent directly to Finance Unit or relevant division;
- Invoices quote a valid Purchase Order Number;
- Accurate bank account details are provided;
- Their Tax Clearance status with the Irish Revenue Commissioners is up to date.

For all public sector contracts of a value of €10,000 (inclusive of VAT) or more within any 12-month period, the contractor (and agent or sub contractor as appropriate) will be required to produce a valid tax clearance certificate. This is a mandatory requirement. Full details on tax clearance procedures may be found on the [Revenue Commissioner's website](#).

Prompt Payment Legislation

Payment of invoices by the Department is governed by the [Prompt Payment of Accounts Act, 1997](#) as amended by the [European Communities \(Late Payment in Commercial Transactions\) Regulations 2012](#). The legislation provides for the payment of interest on valid invoices which are unpaid after 30 days from the date of receipt.

If a valid invoice is unpaid after 30 days, in addition to receiving interest on late payment, the supplier is also entitled to automatic compensation (without the need to issue a reminder) of a minimum of €40 if the invoice is less than €1,000. The schedule to the Statutory Instrument provides for the amount of compensation payable under Regulation 9 as follows:

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| ▪ Not exceeding €1000 | €40 |
| ▪ Exceeding €1,000 but not exceeding €10,000 | €70 |
| ▪ Exceeding €10,000 | €100 |

The legislation does not oblige payment to be made to a supplier who has failed or refused to comply with a request to produce a tax clearance certificate and it expressly extends the statutory time limit for payment where there are delays in furnishing a tax clearance certificate. Also, the Act does not affect the deduction of withholding tax from any payment to a supplier.

Calculation of Prompt Payment Interest

The Department considers an invoice received only when it is date stamped by Finance Unit or the relevant Division, quoting a Purchase Order Number. In the event of an incorrect or inadequate invoice being received from a supplier, the Division has 10 working days to return the invoice, with a written statement identifying why an invoice is under query. The interest payment cannot be waived by the supplier. Under the terms of the Act, the Department is required to furnish an annual review to the Department of Jobs, Enterprise and Innovation regarding the number and value of late payments.