

STAFFORDSHIRE UNIVERSITY

PROCUREMENT POLICY PROCEDURES AND REGULATIONS

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1. INTRODUCTION

The Purchasing function is a major financial and administrative activity. In 2017/18 the University spent over £36m on procuring goods and services. The function plays a prominent part, directly and indirectly, in determining the cost-effectiveness of our teaching and research programmes.

In recent times, purchasing practices within UK Universities have been the focus of critical examination. These studies, undertaken by several agencies, have revealed weaknesses in the way purchasing is managed and executed. The recommendations of the various study reports point to a need to move from disparate approaches to structured and collaborative procurement strategies. The need for change has been further endorsed by the introduction of UK legislation which has an impact upon our procurement practices. To ensure the recommendations on best purchasing practices are introduced and complied with, information must be made available on a University-wide basis. This is best achieved through the preparation and distribution of a Purchasing Manual which reflects our corporate policy and procedures, and which meets our reporting needs.

This Purchasing Manual embraces Purchasing Policy (action guidelines) and Purchasing Procedures (what has to be done and how). The regulations contained in this Purchasing Manual complement our Financial Regulations and Standing Orders relating to Contracts. If clarification or further information is required on any aspect please contact Nigel Peake, Head of Procurement

- The University is committed to the pursuit of excellence and the adoption of current best practice throughout the purchasing function.
- It is recognised that funding is directly related to an effective purchasing operation in ensuring the efficient acquisition of goods and services.
- As a member of Executive, the Chief Financial Officer is responsible for day to day control of the University purchasing function.
- Compliance with both the Financial Regulations and Standing Orders relating to Contracts and the procedures included in this document is mandatory.
- Compliance with the requirements of the Equality Act 2010 means that equality must be a key consideration for staff involved in the purchasing or procurement process - from identification of the goods, service or works, to the award and management of a contract. Opportunities to promote equality are highlighted through this document and at Appendix 1.

2. PURCHASING OBJECTIVES

It is incumbent upon all nominated personnel for all budget centres/grants, irrespective of the source of funds, to obtain supplies, services and equipment at the lowest possible cost consistent with quality and delivery requirements and in accordance with sound business practice. Factors to be considered in determining whether value for money is being obtained must, where appropriate, include:

- Purchase costs
- Fitness for purpose
- Meeting the needs of staff and students with diverse needs
- Firmness of price (e.g. fixed or otherwise)
- Foreign exchange risks and costs
- Terms of payment
- Length of warranty or period of free maintenance
- Running costs (e.g. spares, consumable items, fuel, water, electricity)
- The cost of any required building or services alterations
- The likely sale or scrap value or other disposal charges

To consider, in sourcing, the best practicable environmental option so that products purchased provide the most benefit or least damage to the environment, at acceptable costs in the long and short term.

To ensure all designated purchasing personnel are suitably trained or qualified to allow them to carry out their function in a professional and effective manner.

To ensure all designated purchasing personnel provide the required reports to the Chief Financial Officer to allow purchasing performance to be evaluated.

To fully support and further develop collaborative relationships between the University and the commodity groups of the North Western Universities Purchasing Consortium to increase mutual benefit.

To comply always with the relevant European Union Directives and Regulations relating to public sector purchasing.

To comply with all legislative requirements including those of the Health and Safety at Work act 1974, Regulations issued by the Health and Safety Executive and other relevant safety legislation.

To comply with the requirements of the Equality Act 2010. (Detailed guidance is provided at Appendix 1).

To ensure the University has appropriate arrangements for specialist professional services encompassing, amongst others, legal services, internal and external audit and tax advice. Enquiries should be made in all such cases to the Chief Financial Officer.

3. FINANCIAL REGULATIONS RELATING TO PURCHASING PROCEDURES

3.1 General Regulations and the Review Process

These regulations shall become effective from 1st October 2018 when they will supersede all previous policies and procedures issued on University Purchasing.

The University Head of Procurement shall review these regulations on an annual basis and shall report to the Chief Financial Officer any recommended amendments.

3.2 Delegation of Authority for Purchasing

The conditions applicable to delegation set out in Section 3 are taken from the Financial Regulations and must be observed.

3.3 Unauthorised Purchases

Unauthorised purchases are defined as 'a commitment for goods or services being made by anyone other than an authorised employee of the University whether or not a confirming purchase order is involved'. An authorised employee is one to whom delegated authority has been given as defined in Section 3.

University employees who make unauthorised purchases are personally responsible for payments of any cost incurred and will be subject to disciplinary action.

The identification of unauthorised purchases at an early stage is important and scrutiny is required by all designated officers involved in the purchasing and invoicing process to ensure that unauthorised purchases are detected and halted before payments to suppliers are made.

3.4 Personal Purchases

No personal purchases shall be made in the name of the University and institutional resources shall not be used in any way for the purpose of making personal purchases, except that educational equipment and materials may be purchased by the University for re-sale to students.

3.5 External funded projects

Where funding for purchases is through an external source, the terms associated with this funding will take precedence over our internal regulations. Care should be taken to ensure that we meet the requirements in seeking the appropriate competition to avoid future disputes and potential claw back of funds.

4. PURCHASING PROCEDURES

4.1 Authorisation of the Requisition

In cases where a requisition is raised to generate an official purchase order, the requisition must be approved by a member of staff to whom the responsibility for authorisation has been delegated.

It is the duty of each department or section to ensure that all personnel within the unit are aware who can initiate a purchasing requisition. It is important that the initiator involves the relevant purchasing personnel at an early stage in this process to ensure optimum value for money in terms of price, quality and specification in addition to optimum service in terms of delivery. Every attempt must also be made to effect standardisation, where practical.

To enable an up to date commitment record to be maintained, orders placed must show a valid expenditure code against the account chargeable, together with a firm cost against each code.

Wherever possible, due care will be taken in the specification of requirements so that consideration is given to environmental issues in terms of materials used, power consumption, optimum space utilisation, all at acceptable costs in the long and short term.

4.2 Order Processing

Control of Purchase Requisitions

It is the responsibility of each authorising officer to ensure that:

- Requisitions do not contain policy violations, prohibited items or improper authorisations which contravene Financial Regulations in any manner. Such requisitions, if located, should be returned to the originator without action.
- The status of each requisition is easily identifiable up to the point of the purchase order being despatched.
- The requisitions are processed in as speedy and efficient manner as possible with due regard given to urgent requirements.

Supplier Selection

It is the responsibility of each authorising officer to ensure that orders are placed in line with the University's purchasing guidelines. Purchases to be made for goods or services will be subject to formal sourcing exercises according to Standing Orders Relating to Contract. The Purchasing Guidelines are available to view on the University's website within the procurement section of financial services.

Staffordshire University spending with local suppliers helps us to contribute to local and regional sustainability and regeneration.

Purchasing and procurement decisions provide an important opportunity for us to have a positive economic and social impact on our local communities by promoting and enabling equality of opportunity and inclusion. Incorporating community benefits into our procurement activities helps us to deliver equality of opportunity; it also supports our corporate objectives of widening participation, sustainability and regeneration.

Consideration is to be given to identify what proportionate community benefit requirements may be included in specification e.g.

- targeted recruitment and training to increase the diversity of the contractors' workforce can increase employment opportunities for under-represented groups e.g. people with a disability, women, BAME people;
- supply-chain initiatives, for example encouraging and enabling smaller local businesses to be a sub-contractor for the main provider.

4.3 Sourcing

Sourcing is defined as 'the identification of appropriate suppliers and the comparison of their products, plus other commercial considerations, to achieve the optimum value for money'.

Sourcing Circumstances

In addition to the requirement to source contained within University Financial Regulations, authorising officers assisted by the Procurement Team must ensure that regularly used items with a total annual purchase value (inclusive of VAT) of greater than £20,000 are the subject of a sourcing exercise at least once per annum. Any such exercise must involve the use of at least three suppliers.

Information for Sourcing

There are various methods of obtaining information on suppliers to contact in sourcing exercises. Some are listed below:

- University's Purchasing Guidelines
- HE Contracts data base (HEC)
- Trade Journals
- Crown Commercial Services
- Embassy Libraries (for foreign sourcing)
- Advice from Procurement Team

The Sourcing Exercise

There are two methods of sourcing: by quotation and tender.

An Equality Impact Assessment is a mandatory requirement under the Equality Act 2010 and should be undertaken to identify any potential inequality arising from the use of the goods or services to be sourced. An Equality Impact Assessment template is available at Appendix A together with guidance. Potential inequalities identified through this assessment should be addressed through the requirements detailed in the specification.

Quotation

For all purchases of goods and services, regardless of the value, we should always strive to demonstrate Value for Money.

For goods and services with a value of up to £20,000 the Dean or Director shall have the discretion to decide to invite quotations. Where corporate arrangements already exist for these goods or services it is a requirement that these arrangements are used, unless justification for non-use can be demonstrated.

For purchases over £10,000 (excl VAT) it is recommended that 3 written quotes are obtained.

Tender

For goods and services over the value of £20,001. Procurement advice should be requested

Any tendering process undertaken will include the evaluation criteria and appropriate weighting in respect of the award.

A tender may be defined as a written offer completed by suppliers through the University's E - tendering portal. In all cases of formal tender, the advice and assistance of the Procurement Team should be sought.

Care should be taken in drawing up the request for quotation document with respect to:

- Specification and general requirements
- Quantity
- Quality Standards
- Health and Safety considerations
- Terms and Conditions including adherence to the standard payment terms of Staffordshire University
- Special delivery requirements
- Equality and diversity

4.4 Competitive Quotations and Tenders

- (a) Where quotations have been sought it is essential that documentation is retained to provide evidence for auditing purposes that due weight has been given to considerations of economy, efficiency and effectiveness, together with fitness for purpose including relevant equality considerations.
- (b) When a purchase order is raised following a competitive quotation or tender, the purchase order must refer to that competitive exercise.
- (c) Care should be taken to ensure that current Public Procurement Regulations are not contravened in the placement of any purchase order. Further details may be found in Section 7, "Public Procurement Regulations".

- (d) Wherever possible, all purchase orders prior to dispatch to suppliers should bear the correct price. It is permissible that orders placed requesting service or repair of equipment will not bear an exact price since the exact cost of the transaction will not be known. In this circumstance best estimates should always be used.
- (e) Standing (or “call off” or “bulk”) orders are those orders placed by the University for the supply of either goods or services which it is envisaged will be required at intervals over a period of one year or more and/or where the University is required to agree to and sign a formal contract prepared by the supplier.
- (f) Where a written and signed contract is required it is expected that an appropriate sourcing exercise had been undertaken. All contracts that require a signature must be reviewed by the University Legal team and signed only by a member of the University Executive.
- (g) For purchases in excess of £20,000 and where there is no alternative supplier or for other valid reasons, competition has not been sought, a Single Tender Waiver (STW) must be completed and forwarded to the Head of Procurement for authorisation to be given.

4.5 Single Sourcing

Single sourcing is defined as where there is only one supplier capable of supplying against a defined requirement. This is a situation which is to be avoided wherever possible. In some cases, attention to the broadening of specifications or the adoption of new specifications will result in more suppliers being able to satisfy a requirement. Where use of a single source is inevitable, care should be taken to ensure the best value for money is being achieved by checking the supplier's price list and terms and conditions. Special negotiations should be conducted with the supplier and the Procurement Team. Approval for Single Tender Action shall be at the discretion of the Vice Chancellor or the Chief Financial Officer.

4.6 Offer Evaluation

The evaluation of offers should as a minimum consider price, quality, delivery, all relevant costs relating to installation, operation, service, performance, disposal, compliance with specification including any relevant equality considerations and adherence to the University terms and conditions. Advice and assistance may be sought from the Procurement Team.

4.7 Formal and European Union Tender

Evaluation of formal and European Union tender documentation should only be undertaken with the full support and advice of a member of the Procurement Team as this process is more likely to involve the imposition and negotiation of special terms, legal aspects and formal financial evaluation of suppliers – all factors may give rise to an increased level of risk through challenge by an unsuccessful tenderer.

4.8 Terms and Conditions of Contract

Current terms and conditions for the supply of goods, services and other specialist services are available from the Procurement Team and may be viewed on the Procurement page of the University web site.

4.9 Retention of Documentation

For legal and audit purposes, quotations/tenders, orders, order records and invoices must be retained for SIX years. Order records should be sufficient to justify the action taken in each case. Historical information accurately collected is needed to assist policy decisions relating to the University Procurement function as well as complying with audit purposes.

4.10 Other Order Processing Considerations

Standardisation

It is the duty of the University's Procurement Team to effect standardisation of products which will produce benefits in negotiating the most competitive terms, achieve value for money and simplify arrangements for repairs/services. Fragmentation of ordering amongst a wide range of suppliers for similar goods/services reduces the scope for competitive negotiations and improving quality.

Health and Safety Requirements

Requisitioners should ensure that the requirements of the Health and Safety at Work Act 1974, any regulations issued by the Health and Safety Executive and any decisions based upon these regulations agreed by the University Health and Safety Committee are fully complied with. Where necessary, advice should be sought from the University Head of Health, Safety and Wellbeing.

Equality, Diversity and Inclusion Requirements

Requisitioners should ensure that the requirements of the Equality Act 2010 are fully complied with.

Equipment, Maintenance and Repair

University-wide contracts for commonly used equipment should be used wherever possible.

In-house service and repair facilities should be developed where cost and/or other savings can be demonstrated.

Fair Competition

To facilitate achievement of the University Purchasing Objectives stated in Section 1 of the policy documents, fair competition shall be used and encouraged at all times. Reference should be made to Section 6 "Code of Ethics".

Data processing

Any supplier who undertakes information processing on behalf of the university must possess Cyber Essentials, ISO 27001 or similar approved certification where the University has this requirement for the data that is being processed.

4.11. Order Placement

All order placement will be through the Oracle I buy system.

Where the purchase is expected that use will be made of Purchasing Cards, please refer to the purchasing card policy on iris.

4.11.1 Terms & Conditions

All purchase orders must refer to the University Terms and Conditions of Contract. Purchase orders must be processed through the I Buy system and no other form of order shall be recognised by the University.

4.11.3 Confirmation of Orders

Where possible confirmation orders should be avoided, should a confirmation order be used, the purchase order must be sent bearing the legend "confirmation order only" giving details of the date of commitment made.

4.11.5 Prepayment

The policy of the University is to discourage any prepayment to suppliers prior to receipt and verification of goods. Should this not be possible, formal checks must be carried out by the Procurement team on the credit status of the supplier at the requesting department's expense. Approval of the transaction will only be given when the status report is satisfactory.

4.11.6 Orders for Goods and Services

The University will refuse to pay invoices in respect of commitments for which no official purchase order has been placed.

The use of covering orders (that is, orders made out to cover invoices when they are submitted to the University) is not permitted: orders are only to be raised in advance of goods or services being requested.

Orders shall indicate clearly the nature and quantity of the goods or services required and any contract or agreed prices relating thereto.

At all times, the most advantageous price shall be obtained in relation to the quality of the goods or services required.

Official orders, University note paper or any other document purporting to come from the University shall NOT be used to obtain goods or services that are not chargeable in University accounts.

4.11.7 Service Rental and Maintenance Agreements

All service, rental and maintenance agreements for equipment shall be submitted to the Legal Team with a Contract Approval Form (CAF). Having confirmed that all terms and conditions are acceptable, the Legal Team will arrange for the agreements to be signed on behalf of the University. Each agreement shall be accompanied by an official purchase order when the agreements have been signed, they will be returned to the department or section concerned.

4.11.8 Traders, Credit Cards or Identity Cards

The prior approval of the Chief Financial Officer is required before any Traders, Credit Cards or Identity Cards registered in the name of the University are obtained.

4.11.9 Contract Administration

All requisitioning officers are expected to ensure that they understand a supplier's conditions of contract. Deviations from the University's terms and conditions should not be accepted without the approval from the Procurement Team.

In the event of any legal, contract or general supply dispute arising, or appearing likely to arise, the advice of the University's Procurement Team and Legal Team should be sought at the earliest opportunity. At all times, a careful record must be kept of communications with suppliers, particularly those by telephone.

Where an order is placed with a supplier which is likely to take some months to fulfil, it is advisable to institute formal and regular checks on the progress of the supplier to completion of the order. All correspondence should be retained particularly if financial penalties have been agreed for late delivery.

Consideration must be given to the need to protect the University's patent and data rights. It is advisable that where this is applicable, formal representation should be made to the Chief Operating Officer prior to any order placement.

Any change in contract terms required by the University or a supplier after order placement should be referred to the Procurement Team and or Legal Team.

4.12 Follow Up and Delivery

4.12.1 Expediting of Purchase Orders

It is the responsibility of each requisitioning officer to provide a full expediting service on all orders placed.

4.12.3 Regulation of Delivered Goods

All goods must be inspected on receipt. Delivery notes must be retained and signed and dated as evidence of checking the goods upon arrival prior to their being used.

When goods are being rejected, notice should be taken of time limits for advice to suppliers of rejection. This should be completed in a formal manner initially by telephone but always confirmed in writing.

Rejected goods should always be placed in an area where there is no possibility of usage or loss. Suppliers of rejected goods should always collect and re-supply at their own cost.

Any dispute arising from a supplier's attempts to charge in such a case should be referred to the University Head of Procurement.

4.12.4 Supplier Delivery Performance

Records of a supplier's poor delivery performance should be kept since this should be part of the supplier selection process as poor delivery performance will be adding significantly to the cost of acquisition of goods. The Head of Procurement should be made aware of continued poor performance by suppliers.

4.13 Employees as Suppliers

Purchases by the University from employees who are conducting formal business outside the University or from suppliers which are owned by an employee or a close relative of an employee, or in which an employee or close relative holds significant interest must be strictly controlled.

All prospective purchases where any of these circumstances apply must be referred to the Chief Financial Officer for approval.

4.14 Update of Procedures

All purchasing procedures will be reviewed and updated if necessary, on an annual basis. The development of the University Purchasing function along the lines denoted in the Purchasing Strategy document will entail the update and addition of new procedures particularly relating to the monitoring of performance. To this end input from all sections of the University to the purchasing procedures is encouraged and should be made to the Head of Procurement.

5. AUTHORITY TO PURCHASE

- a) In the event of a sole supplier for goods or services, orders of £20,000 or more (excluding VAT) must have the approval prior to placement from the Chief Finance officer or Vice Chancellor in a form of a Single Tender Waiver.
- b) All contract, lease, licence, rental and other agreements can be signed only by a member of the University Executive.
- c) Any agreement raised following signature of such a document by any other person shall be deemed to be invalid by the University.

6. SPECIAL PROCUREMENT POLICIES

6.1 Nationally Negotiated Contracts

Staffordshire University requires that wherever practical all nominated University Purchasing personnel adhere rigidly to any purchasing contracts negotiated.

6.2 North Western Universities Purchasing Consortium Contracts

The University requires all nominated University purchasing personnel to give complete backing to any contracts organised by the North Western Universities Purchasing Consortium (NWUPC).

All nominated purchasing personnel should wherever possible place orders through tendered or contracted suppliers. Failure of nominated suppliers to provide value for money or the existence of a non-approved supplier providing better value for money, must be referred to the Procurement Team.

6.3 University Purchasing Contracts

There are several purchasing contracts organised by the Procurement Team which must be used to the exclusion of other suppliers. Details of these contracts can be obtained from any member of the Procurement Team.

It is not permissible for orders to be placed with any suppliers other than those nominated by the Procurement Team. Details of the contracts and suppliers to be used can be obtained by contacting a member of the Procurement Team.

Notification of any suppliers offering better value for money than the University nominated suppliers should be notified to the Procurement Team prior to order placement.

6.4 European Community Contracts

All purchase orders for commodities covered by contracts resulting from compliance with European Union Purchasing Directives can only be placed with nominated suppliers. No exceptions to this limitation will be allowed under any circumstances. Further details may be found in Section 9, "Public Procurement Regulations".

6.5 Building Contracts

All building contracts of all values incorporating new build and restoration or alteration to existing buildings will be processed through the University Director of Estates, supported by a member of the Procurement Team.

7. DUTIES AND RESPONSIBILITIES OF UNIVERSITY PROCUREMENT TEAM

7.1 Responsibilities

The University Procurement Team must always comply with all aspects of the University's Purchasing Policy, Procedures and Regulations.

Responsibility is delegated to the University's Head of Procurement to ensure compliance with the University's Purchasing Policy, Procedures and Regulations.

The University's Head of Procurement and nominated Purchasing staff must be appropriately trained or qualified to carry out the function. This will normally entail:

- Corporate or student membership of the Chartered Institute of Purchasing and Supply. (CIPS)
- Attendance on relevant Purchasing training courses, for example NVQ accreditation.

The Procurement Team is responsible for the provision of a Purchasing Service incorporating all aspects of the procurement cycle and the Financial Regulations relating to Purchasing Procedures.

7.2 Duties

Nominated purchasing staff will be functionally responsible for and report on all purchasing matters to the Assistant Finance of Director.

The Procurement Team will be responsible for the provision of a full procurement provision in regard to tendering of goods, services and work this will include all advise on procurement route/process, specification and criteria/weighting. The Purchasing function will have responsibility of providing advice on the I buy system raising of purchase orders and low value purchases.

The Procurement Team will be responsible for the receipt from, and provision of relevant information to, the North Western Universities Purchasing Consortium when required and will also be responsible for the receipt and circulation of purchasing information to interested parties within the University

8. CODE OF ETHICS

The ethical code is based on that adopted by the Chartered Institute of Purchasing and Supply, a summary of which is set out below. For further clarification please contact the Procurement Team.

Principles

Staff shall never use their authority or office for personal gain and shall seek to uphold and enhance the standing of the University by:

- maintaining an unimpeachable standard of integrity in all their business relationship both inside and outside the University:
- fostering the highest possible standards of professional competence amongst those for whom they are responsible:
- optimising the use of resources for which they are responsible to provide the maximum benefit to the University and their department:
- complying both with the letter and the spirit of: the Laws of England such guidance on professional practice as may be issued by the University from time to time: contractual obligations
- rejecting any business practice which might reasonably be deemed improper.

Guidance

In applying these principles, staff should follow the guidance set out below:

- *Declaration of interest* - Any personal interest which may impinge or might reasonably be deemed by others to impinge on a staff member's impartiality in any matter relevant to his or her duties should be declared.
- Personal interest includes that of immediate family and friends.
- *Confidentiality and Accuracy of Information* – The confidentiality of information received in the course of duty should be respected and should never be used for personal gain: information given in the course of duty should be true and fair and never designed to mislead.
- *Competition* - While bearing in mind the advantages to the University of maintaining a continuing relationship with a supplier, any arrangement which might, in the long term, prevent the effective operation of fair competition, should be avoided.
- *Business Gifts* - Business gifts, other than items of very small intrinsic value such as business dairies and calendars, should not be accepted. Items of a personal nature as for house or private use should always be declined.

- *Hospitality* - Modest hospitality is an accepted courtesy of a business relationship. However, the recipient should not allow him or herself to reach a position whereby he or she might be or might be deemed by others to have been influenced in making a business decision as a consequence of accepting such hospitality; the frequency and scale of hospitality accepted should not be significantly greater than the University would be likely to provide in return.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined, or advice sought from the staff member's superior.

The official version of the Ethics code of the Chartered Institute of Purchasing and Supply is available by contacting the Procurement Team.

Equality, Diversity and Inclusion

Staffordshire University remains responsible for meeting our statutory equality duty and complying with legislation even where functions (activities, services etc) are carried out entirely, or in part, by external suppliers. Therefore, we expect everyone working on our behalf to practice equal opportunities and be able to demonstrate that they take all reasonably practicable steps to ensure equality of access and equal treatment in employment and service delivery for all.

Businesses that are awarded contracts by Staffordshire University are acting on our behalf. They will be expected to comply with all current equality legislation, practice equalities in employment and service delivery and ensure that we meet the requirements of the Public Sector Equality Duty by proactively working with us.

Under UK legislation, public bodies including universities must embed equal opportunities in their contracts.

9. Public Procurement regulations 2015

9.1 Background

The Public Procurement Regulation (PPR) are intended to promote intra-community trade by requiring public and semi-public bodies (called contracting authorities) to follow defined procedures when letting large contracts. Each member country has transposed the directives into domestic law. In the U.K. this has resulted in Statutory Instruments covering public supply contracts and public works contracts, both enacted with effect from 31 December 1991, and further enactment covering public services contracts which came into force from 1 July 1993. Other legislation applicable to the utilities sector (as contracting authorities) does not concern Universities. Under the supply, works and services regulations, the definition of a contracting authority includes Universities. A breach of the regulations is actionable by any supplier who feel the tendering process was not carried out in a fair or equitable manner this can lead to significant financial penalties as well as having to re commence the tender process

9.2 Legislation

The supplies regulations apply to most "goods" including substances, grow crops, ships, aircraft and vehicles.

The works regulations apply to construction (including design) of work or works (generally building or civil works) undertaken by a contract authority. The services regulations apply to contracts for services such as transport, banking, insurance, purchase of research and development, accounting, auditing, book-keeping, management consultancy, architects, engineers, surveyors, publishing and printing, sewerage, refuse disposal and sanitation.

(This list is not exhaustive.)

The regulations apply to written contracts for all forms of procurement, goods or services with a total value exceeding a threshold value. (The thresholds set at the 1 Jan 18 is £181,302 for the supply of goods and services and £4.551,413 for works).

Perpetual contracts are calculated at 48 times their monthly value for threshold purposes. It is not permissible to split up a contract for the purpose of avoiding the application of the regulations. These value thresholds are amended every two years by the European Union.

Proposed contracts that are procured through a full EU process must be advertised in the Official Journal of the E.U (OJEU) and in Contract Finder. There are several procedures available, the main two being.

Open Procedure

Any supplier may apply for a copy of the contract documentation and may submit a tender which must be considered by the contracting authority. Not later than 30 days must be allowed for receipt of tenders, though emergency procedures exist under strictly defined circumstances if issued electronically.

Restricted Procedure

In certain circumstances, contracting authorities may invite applications to be placed on a restricted tender list. Suppliers have not less than 30 days to submit this application. The contracting authority may then select the suppliers to whom tender documents will be issued. A further 25 days must be allowed for the submission of tenders, if issued electronically.

9.3 Contract Award

All selection procedures must be consistent with stated criteria and must not discriminate on grounds of nationality. Specifications must be based on European standards whenever possible and must not quote brand name or "make".

Descriptions must not be such as to define a product to the exclusion of any competing products.

Contracts may be awarded on the basis either of lowest price or "the most economically advantageous to the contracting authority".

A contract award notice must be placed in the Official Journal no later than 48 days after the award. The notice must include information concerning the company to whom the contract was awarded and the contract value.

9.4 Statistical Returns

The Treasury are required by the directives to collect statistics on all public procurement affected by the legislation. Universities are required to supply this information via HEFCE in alternate years.

The University's Procurement Team is responsible for ensuring that the University complies with its legal obligations concerning European procurement legislation. All departments and sections of the University are required to co-operate fully by notifying the Procurement Team of any purchases likely to exceed the appropriate threshold under the supplier or services directives only. All purchases under the Works Directives must be made through the Director of Estates jointly with a member from the Procurement Team.

10 STANDING ORDERS RELATING TO CONTRACTS

10.1 Introduction

Every contract made by, or on behalf of, the University shall comply with the Standing Orders and Financial Regulations of the University.

10.2 Definitions

The following terms have the meanings given below.

- 10.2.1 A "quotation" means an offer in writing to execute works or supply goods or materials or services.
- 10.2.2 A "tender" means a written offer to execute works or supply goods or materials or services.
- 10.2.3 A "contract" means an accepted offer in writing or the execution of works or the supply of goods or materials or services but shall exclude contracts of employment and contracts for the sale or purchase of any interest in land.
- 10.2.4 A "Sub-contract" means any contract to which the University is not a party but in respect of which a sub-contractor or supplier is specified by the University to the contractor.
- 10.2.5 "Supply" includes the provision of goods or materials by way of sale or lease or hire to the University.
- 10.2.6 "Estimated Value" means: -
 - a) In the case of contracts for the provision of goods or materials by way of lease or hire to the University, the total capitalised value of the contract in question or of the series of contracts of which it forms a part.
 - b) In any other case, the total amount which the Pro Vice Chancellor or Director reasonably expects the contract or sub-contract in question or any series of contracts of sub-contracts of which it forms part will be worth provided that no account shall be taken in either case of any trade-in transaction.
- 10.2.7 Where an amount is specified, that amount shall be deemed to be exclusive of Value Added Tax.
- 10.2.8 The "Board of Governors" shall include, unless specifically provided otherwise, those committees, members of staff of the University to whom the power of making the contract in question shall have been delegated.
- 10.2.9 The "Chairman" means the Chairman or in his absence the Deputy-Chairman of the Board of Governors or any committee of the Board of

Governors to which the power of making the contract in question shall have been delegated.

- 10.2.10 A "Dean or Director" means the officer in charge of a School or Service of the University and shall include other appropriate officers as may from time to time be designated as officers to whom the definition shall apply.

10.3 Requirements to Obtain Tenders

- 10.3.1 Where the estimated value of any contract for the supply or sale of goods or materials does not exceed £20,000 the Dean or Director shall have discretion to decide whether or not to invite quotations.
- 10.3.2 Where the estimated value of any contract for the supply or sale of goods or services exceeds £20,000 but does not exceed £25,000 the Dean or Director shall invite quotations from a minimum of 3 suppliers unless in any particular case, the Head of Procurement approves in writing that the invitation of quotations be waived by the means of a Single Tender Waiver.
- 10.3.3 Where the estimated value of any contract for the supply or sale of goods & services or works exceeds £25,000 but does not exceed £181,302 (goods & services) or £4,551,413 (works), a formal tender process should be carried out by the Procurement Team and the requirement should be publicly advertised on the University's website and also on Contracts Finder.
- 10.3.4 No contract or sub-contract for the execution of works or for the provision of services or for the supply or sale of goods or materials where the estimated value exceeds £500,000 shall be made or entered into unless public tenders have been obtained in accordance with the procedures in Section 4 of the Standing Orders Relating to Contracts.
- 10.3.5 The Vice-Chancellor shall have the discretion to waive the requirement for tenders for the supply or sale of goods or materials or the provision of services where the estimated value exceeds £25,000 but does not exceed £250,000. The Vice-Chancellor and either the Chairman or Deputy Chairman of the Board of Governors shall have the discretion to waive the requirement for tenders for the supply or sale of goods or materials or the provision of services the estimated value of which exceeds £250,000 but does not exceed £500,000. This discretion may only be exercised where the requirements of Public Procurement Regulations in force at the time have been satisfied.
- 10.3.6 The Employment and Finance Committee of the Board of Governors shall have the discretion to waive the requirement for public tenders for the provision of goods and services the estimated value of which exceeds £500,000. This discretion shall only be exercised where the supplier is the sole supplier of these goods or services or where the supplier is the only supplier able to provide compatible goods or services.

This discretion may only be exercised where the requirements of the Public Procurement Regulations in force at the time have been satisfied

10.4 Procedures for Obtaining Tenders

- 10.4.1 All invitations to tender on a competitive basis shall state that no tender will be accepted unless submitted the electronic Delta E-Sourcing Tendering Portal.
- 10.4.2 Notice inviting persons to tender or to apply for permission to tender shall be advertised on the University's website and also on Contracts Finder.
- 10.4.3 Where, under Section 3.2 of these procedures quotations are to be obtained for a proposed contract for the supply or sale of goods or services or for the execution of any works or services, the estimated value of which does not exceed £25,000 then such quotations need not be invited by public notice but in that event, no less than three quotations shall, under normal circumstances, be received in writing in each case.
- 10.4.4 The requirement to seek public notice for tenders shall be dictated, where appropriate, by the stipulations of the Public Procurement Regulations for the supply of building works and the supply of goods and services that are in force at the time. **This requirement cannot be waived.**
- 10.4.5 The University shall maintain lists of approved firms from whom tenders and quotations may be invited and shall keep these under frequent review.
- 10.4.6 Every invitation to tender or to apply for permission to tender shall state the nature and, where appropriate, the purpose of the contract or sub-contract, the place at which tenders or applications shall be submitted and the date and time before which tenders or applications for permissions to tender shall be submitted and also the period of time the contract will run for.
- 10.4.7 Every invitation to tender shall:-
 - (a) Indicate that the University does not bind itself to accept or nominate the lowest tender where payment is to be made to the University, and
 - (b) Give notice of all the requirements of Sections 4 and 8 of these standing orders and any relevant specification, and
 - (c) Give notice of the form of any formal contract or sub-contract document which the contractor will be required to sign or execute.

10.5 Submission, Receipt, Custody and Opening of Tenders

- (a) No tender will be considered unless delivered via the online E tendering portal
- (b) The University E procurement system does not allow for the opening of tenders prior to the closing time and date.
- (c) No tender received after the time and date by which it is to be received or which contravenes any provision of this section shall be opened except with the authority of the Head of Procurement in consultation with the Finance Director.
- (d) Where, in their view, circumstances so warrant, the Head of Procurement in consultation with the Finance Director may postpone for such period as they may consider reasonable the time and date by which the tenders concerned shall be received.

10.6 Acceptance of Tenders

When tenders have been received under the procedures required by the Financial regulations, the delegated lead may either:-

- (a) Accept the lowest tender when payment is to be made by the University or the highest tender when payment is to be made to the University, or
- (b) If he/she is satisfied that to do so is in the best interests of the University, authorises the appropriate member of staff of the University to negotiate with any tenderer prior to a final decision, or
- (c) If he/she is satisfied that to do so is in the best interests of the University, authorise the acceptance of a tender other than the lowest when payment is to be made by the University or other than the highest tender when payment is to be made to the University.

10.7 Contract Documents

10.7.1 Every contract shall be evidenced by a written acceptance of a written offer and if, because of urgency or emergency any offer is made or accepted orally, such offer or acceptance shall be put in writing within two working days thereafter.

10.7.2 Every contract shall:-

- (a) Specify the work of services to be undertaken and/or the goods to be purchased or sold as the case may be; and
- (b) State the price to be paid by or to the University with a statement of discounts or other deductions; and

- (c) State the time or times in which the contract is to be performed or the duration of the contract; and
- (d) Be based, wherever practicable, upon a definite specification which shall be included in the contract.

10.8. General Conditions of Contract

- 10.8.1 The general conditions set out in paragraphs 2 to 7 shall apply to every contract or sub-contract made by or on behalf of the University unless the paragraph in question otherwise provides.
- 10.8.2 The contractor shall not without the previous consent in writing of the University Secretary transfer, assign or sub-let either directly or indirectly the contract or any part or parts thereof.
- 10.8.3 Every contract in relation to which a specification or code of practice issued by the British Standards Institution is applicable shall require as a minimum that goods and materials used in its execution and all the workmanship shall be in accordance with that specification or code of practice.
- 10.8.4 The University may cancel the contract and recover from the contractor the amount of any loss resulting from such cancellation, if the contractor has offered or given or agreed to give to any officer of the University any gift or consideration of any kind as an inducement or reward for placing the contract with the contractor.
- 10.8.5 Every contractor shall provide to the satisfaction of the University Secretary such indemnities and such insurances as the University Secretary may require.
- 10.8.6 All obligations and responsibilities placed upon the contractor in relation to the execution of works or services or the supply of goods or materials concerned either directly or indirectly or by reason of the Health and Safety at Work Act, 1984 or any other enactment relating to the contract in question and any regulations, orders, directions, rules or the like made under that Act or other enactment shall be observed and performed by the contractor.
- 10.8.7 Proper books, vouchers, accounts and records relating to any contract valued over £100,000 shall be maintained by every contractor at his place of business and shall be available for inspection by any member of staff authorised by the Vice-Chancellor at all reasonable times during the contract and for three years after making the final payment by or the University thereunder.
- 10.8.8 No increase in the amount payable by the University or decrease in the amount receivable by the University unless approved by the Vice-Chancellor will be permitted except as specifically provided for in the contract in question

11. SECURITY OF ASSETS, STOCKS AND STORES

Each Dean or Director shall be responsible for arranging proper security for all buildings, stocks, stores, furniture, equipment and money under his/her control. He/she shall be responsible for keeping proper records and for the custody of stocks and stores in his/her department. The store's accounts and records, including the record of write-offs and other adjustments, shall be kept by the Dean or Director in such form as may be approved by the Finance Director from time to time.

A delivery note signed by the person receiving the goods must be obtained in all appropriate circumstances in respect of deliveries of goods, and all practicable steps must be taken to ensure that such delivery note is handed in at the time of delivery. All goods must be checked for quantity at the time delivery is made and inspected for quality and compliance with the specification as soon as practicable after delivery.

Inventories shall be maintained by all departments in which shall be recorded an adequate description of furniture, fittings and equipment and plant and machinery.

The University's property shall not be removed otherwise than in accordance with the ordinary course of the University's business or used otherwise than for the University's purposes except in accordance with specific instructions issued by the appropriate Dean or Director.

Annually at 31 July in each year, or as near to that as is practicable, or at such other date as may be agreed by the Chief Finance Officer, a complete stock-taking of all stores shall be carried out by a responsible member of staff deputed by each Dean or Director. Annual stock-taking may be waived in the case of Faculties/Services where the Finance Director is satisfied that a satisfactory system of continuous stock-taking is in operation.

A representative of the Chief Finance Officer may be present at any stock-taking for the purposes of making any checks.

The Finance Director, or his/her representative, shall have access to all inventories and any relevant documents.

No property disposed of shall be sold or otherwise disposed of without complying with any relevant provisions of the University's Standing Orders Relating to Contracts.

12 SURPLUS EQUIPMENT / FURNITURE DISPOSAL

12.1 Stocks & Stores

Each Dean or Director shall be responsible for keeping proper records and for the custody of stocks and stores in his/her department. The store's accounts and records, including the record of write-offs and other adjustments, shall be kept by the Dean or Director in such form as may be approved by the Finance Director from time to time.

No property shall be disposed of except on the authority of:-

- a) the holder of a senior post on the recommendation of the appropriate Dean or Director, if the higher of the book value or the current value on the open market of each item, is not estimated to exceed £500
- b) The Vice Chancellor, if the higher of the book value or the current value on the open market of each item is estimated to exceed £500, but is not estimated to exceed £5,000
- c) The Board of Governors, if the higher of the book value or the current value on the open market of each item is estimated to exceed £5,000

12.2 Disposal of Surplus Equipment

In order to safeguard the University's interests and to comply with legislation on Health and Safety, it shall be the responsibility of each Dean or Director to ensure that any person or company removing surplus equipment has complied with Staffordshire University's Conditions of Contract for the Sale of Goods & Services and accepted full responsibility for ownership of the equipment and by completing the appropriate disposal write off transfer form. Further information is available from the University Accounting Technician.

Definition of "Surplus"

In these regulation, the terms "surplus" includes any item of equipment or furniture which is either obsolete, unusable, non-functional or scrap, or for any other reason is surplus to present requirements and there is no economic justification for its retention. The decision to classify an item as surplus in this context shall be the responsibility of the persons designated in Purchasing Policy Section 3.1 who may seek such advice as they consider necessary.

Checklist in relation to Equality, Diversity and Inclusion

- The completed Business Case, including an Equality Impact Assessment demonstrates that all equalities issues have been taken into account.
- Relevant needs and objectives in relation to equalities have been identified.
- There is an understanding of the requirements of equalities legislation, including the Equality Duty, and other relevant policies, amongst those involved in the procurement project.
- It is clear whether equalities are a core requirement of the contract.
- Additional equality requirements have been included in the specification where equality is a core requirement.
- Consider the need to include non-discrimination contract conditions plus any other relevant equalities contract conditions, such as the contractor conducting regular equalities monitoring on their work.
- Selection criteria and weighting reflect equality related issues, proportionate to the nature, scope and size of the contract.
- Using the PQQ, check contractors' ability to deliver equality in employment and service delivery.
- Check the specification contains all equalities related issues.
- Include all relevant equalities information in the Invitation to Tender.
- Evaluate tenders for meeting the equality requirements in the specification, using the pre-determined criteria.
- Check that the contractor has accepted the equalities contract conditions.

- Where appropriate and proportionate to the nature, size and scope of the contract, meet the successful contractor to discuss the equalities contract conditions and other relevant issues.
- Monitor the contractor's performance in terms of equalities as set out in the specification and contract conditions.

APPENDIX 2

Tender Evaluation – What is required from Tenderers? – Points to Consider in relation to Equality, Diversity and Inclusion

The relevance of each of the following points depends on the specific contract and role of equalities in the contract.

- Contractors' responses on how they would achieve and implement the requirements set out in the specification
- Contractor's understanding of the University's Equality, Diversity and Inclusion Framework, relevant policies and the equalities provisions in the specification
- A working knowledge and experience of implementing equal opportunities
- A verifiable commitment to equal opportunities
- An understanding of equalities needs in employment and in the provision of services
- Commitment to train staff in implementing the specification, if necessary
- Commitment to monitor the take up of the service and to take action in response to monitoring results, and to provide this information to the University in order that performance can be monitored

- Plans to consult with staff, students, the public (as relevant to the contract) and how equalities considerations will form a central part of this.
- Existence and/or development of appropriate complaints procedures
- Provision of information in appropriate languages and alternative formats.
- The key consideration in evaluating tenders is that suppliers have the requisite technical capacity to deliver what is required.

<ul style="list-style-type: none"> Template: Contract relevance 					
Protected characteristic	What evidence are you using to make your judgments/decisions?	Are there any ways that the contract can help to eliminate unlawful discrimination?	Are there any ways that the contract can help to advance equality of opportunity?	Are there any ways that the contract can help to foster good relations?	Should a specific requirement/contract condition be included?
Age					
Disability					
Gender reassignment (Transgender)					
Marriage and civil partnership		Applies to employment -related contracts only	Not applicable	Not applicable	
Pregnancy and maternity					
Race – ethnicity, nationality					
Religion or belief					
Sex					
Sexual orientation					
Dependents/caring responsibilities					
Socio-economic status					

