

Procurement Manual

Bournemouth University

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1. Introduction

- 1.1 The purpose of this Manual is to provide detailed guidance and best practice to University staff on managing individual procurements. The contents of this Manual apply to the purchase of all goods and services for the University. This Manual is the key document for implementing the University Procurement Strategy and ensuring compliance with the University Financial Regulations. Further guidance can be found on the Finance & Procurement public drives or by contacting the Procurement team within F&P.
- 1.2 This Procurement Manual must be read in conjunction with the University's Financial Regulations, the Contract Signing Policies & Procedures and the Sustainable Procurement Policy. All these documents can be viewed in the F&P Procurement Public (I) drive.

2. Structure of the Procurement Organisation and Service Delivery

- 2.1 The University's Procurement Strategy is owned by the Head of Procurement. The Head of Procurement is responsible for the delivery of an effective cycle for the acquisition of goods, materials and services together with the provision of a policy-making, advisory and monitoring service. The Head of Procurement also acts as a focal point for general procurement issues and escalation of specific procurement problems. The Director of Finance & Performance and/or the Head of Procurement are the final arbiters on all matters relating to procurement at the University.
- 2.2 The Procurement Department is responsible for managing the overall procurement process/workflow for all purchases and, additionally, the actual procurement itself when above £25,000 in value (including VAT or other associated cost such as maintenance support). This £25,000 threshold covers the contract value over its lifecycle or the total estimated value of call-offs against a framework contract (the forecast commitment value).
- 2.3 Individual procurements below £25,000, operating in accordance with the procurement process and Financial Regulations, are devolved to stakeholders in Faculties and Professional Services. Complex procurements should always be referred to the Procurement Department for guidance.

3. Procurement Principles

- 3.1 The University is committed to a rigorous procurement process which emphasises the principles of:
 - Value for money (VfM)
 - Competitive tendering
 - Sustainability
 - Transparency
 - Fairness & equality
 - Best practice
 - Legality (e.g. in accordance with EU Procurement Regulations such as the Public Contracts Regulations 2015)
 - Confidentiality, subject to the Freedom of Information Act 2000

These principles should underpin all University procurements.

- 3.2 **IMPORTANT NOTE: Supplier Research**
The Procurement Team must be consulted before any pre-contract supplier visits or presentations (sometimes referred to as soft market testing) are organised to assess product capabilities or functionality. A member of the Procurement Team should also normally be in attendance at such meetings.
- 3.1 In order for the procurement process to be rigorous, it is important that all assessments, discussions and decisions are fully documented and filed together with all correspondence with potential suppliers.
- 3.4 The primary function or purpose of this Procurement Manual is to provide guidance on University regulations governing the purchase of goods and services and the procedures that must be followed.

Section 3 also describes the general principles of the University's approach to the purchase of goods and services.

Whilst the University operates on a devolved financial basis, much of what staff groups require in terms of general goods and services can be obtained from pre-arranged contracts with a range of suppliers. These supply arrangements are organised by the University's Procurement Team within F&P, and based upon value for money. They are a combination of locally tendered contracts or through the adoption of HE/Public Sector Consortia organised contracts. The latest list of these agreements can be found in the Public (I) drive. I:\Finance\Public\Financial and Procurement Regulations\Procurement Regulations and Policies

The F&P Procurement Department has tested their value for money both in terms of unit prices and transactional simplicity and have proven these various agreements to represent "Best Value" to end users.

Unless users have very good reasons not to use these contracts, Deans of Faculties, Directors of Professional Services, Heads of Departments, Budget Managers and other Staff responsible for such purchases must utilise these contracts. Exceptions or reasons for non-compliance must be registered with the F&P Procurement Department prior to any purchase.

The general approach to Procurement at the University is central policy and structure for all key supplies thus preventing the need for individual Faculties or Professional Services to organise their own arrangements. This process has worked well to date saving time and money at the devolved points and releasing key staff time to concentrate on core activities.

The policy for more complex, high value or specialist requirements is governed by this Procurement Manual. All staff must follow these procurement procedures for all goods or services up to the purchase value of £25,000. When such purchases exceed £25,000 all proposed purchases must be referred to the Procurement Department.

In some cases purchases exceeding this £25,000 threshold can still be purchased from preferred suppliers. A good example is computer hardware.

- **Sustainability Procurement**

It is the agreed and stated policy of the University to act in an environmentally responsible manner in all its activities. This includes and covers the way in which it

purchases goods and services. A status list is held in the general University database identifying “Green” products and services purchased. Where practicable and viable, the University will opt to purchase from “Greener” supply channels. See also “Sustainable Procurement Policy” for the University which can be found in the Procurement Public (I) drive.

- **Estates activities, Maintenance & Engineering (ME) and Capital Projects**

The majority of estates purchasing is channelled through the Procurement Department and most follow standard procedures as detailed in the University’s Procurement Manual.

Major capital projects, such as new builds or major refurbishment’s, can sometimes be purchased using alternative methods depending upon the scale and type of build. If, for example, a “Land Owner” approaches the University with a proposed build scheme, it may not be possible to tender the full build project.

All major building programmes, however, will fall within the University’s Estates Strategy.

- **Purchasing of IT Products, Services and IT requirements for Research Projects**

All IT products, including devices, software and peripherals, must be purchased through IT Services. This will provide consistency in approach and compliance with the prevailing End User Computing Standards, to ensure IT Services can provide support and to maintain compatibility and security of our IT facilities. The use of BU Barclaycard’s must not be used for the purchase of any IT products or services.

IT Services will not take responsibility for any products or services bought outside of this directive and will not connect, maintain or otherwise work on or with such third-party purchases.

Any BU staff member seeking IT equipment using research funding or other source of non-standard funding should liaise with IT Services at the earliest opportunity to ensure that appropriate purchases are made. All items purchased through any source of funding will remain the property of Bournemouth University and remain under the management of IT Services unless otherwise agreed in writing.

- **Supplier Treatment – general plus local/national/international**

All goods and services are purchased in accordance with University Purchasing Manual. A key strand of this policy is to purchase at the most economically advantageous cost. Translated, this means obtaining “Best Value” throughout the life cycle of the product or service.

The treatment of suppliers is therefore transparent and neutral in terms of size and location.

- **Approved supplier or tender lists**

As discussed in the previous paragraph, all suppliers are welcome to apply for opportunities to win University business. Minimum standards will always be set. These standards will differ depending upon the size, scope and complexity of the

product or service but all suppliers can apply provided they can meet the minimum criteria. Note: the term “Approved Supplier” means a supplier that is in contract with the University, arranged by the central team or by devolved buyers. Suppliers on the University supplier list are not necessarily approved suppliers.

- **OJEU (Official Journal of the European Union)**

As a publicly funded body, the University fully complies with the Public Contract Regulations 2015 (PCR2015) and its amendments where these regulations apply.

- **Exceptions register**

The Procurement Department maintains an Exceptions Register for non-standard purchases. This includes single supply products or services, special or urgent purchases which have not followed normal procedures and user or stake holder non-compliance against standing orders or policies.

- **General approach to “Value for Money”**

The University is a publicly funded body. It operates very tight financial control maintaining surpluses of a very modest nature. It is therefore crucial to the financial stability of the organisation that all external procurement provides maximum value. This is achieved through the adoption and practical implementation of “Value for Money” principles. These principles draw upon the very best examples of “Value for Money” procurement throughout the public sector.

These include “Whole Life Costing” principles, “Buy, Lease, Rent” options, “Value Engineering” and the use of “Financial Option Appraisals” wherever these tools can be applied.

- **Mixed Economy**

The University has a mix of in-house and external service contracts. It is always mindful of who would be best placed to complete service functions. Market tests are completed wherever necessary to test both in-house and external provision.

4 Procurement Cycle

4.1 The procurement cycle consists of a number of generic stages that are common to all procurements and a number of additional stages relating to more complex and higher value procurements. You must contact the Procurement Team for further information however the generic stages are:

- Determining the need to procure (requirement scrutiny)
- Conduct a LCA (Lifecycle Analysis), risk and insurance assessment and a EIA (Equality Impact Assessment)
- Establishing authority to procure
- Establishing the procurement route (type of tender/contract)
- Determining availability of potential suppliers (competition)
- Developing appropriate tender & specification documents
- Inviting quotes/tenders
- Evaluation of quotes/tenders (test merits of all tenders)
- Awarding the contract (including financial checks & legal review)
- Managing the contract (including contract closure/disposal)

- Receiving and paying for goods and services

5 Requirement Scrutiny (Determining the Need)

As part of requirement scrutiny having fully scoped out the requirement as detailed in this manual and in conjunction with a member of the Procurement team, staff engaged in procurement should:-

- 5.1 Attempt to identify procurement risks and ensure risk management techniques have been applied where appropriate. Examples of procurement risks include dependencies on other goods/services, supplier risks (non-performance, bankruptcy etc.), payment risks where advances of the contract price have been made (pre-payments, milestones etc.), intellectual property (IP) risks (risk of third party infringements etc.).

Public liability insurance is required where the supplier's obligations under the Contract/agreement have the potential to cause personal injury or property damage. Insurance requirements are included in contracts/agreements. Insurance requirements for the tender/contract/agreement should only be set once a risk assessment has been undertaken. The BU Insurance procedure document is designed to give you the tools to conduct an insurance cover level risk assessment and can be requested by contacting the Head of Procurement.

- 5.1.1 Consider the requirements of the Criminal Finances Act 2017 and the risk of Corporate Criminal Offences.

Care is required when entering into a contract in relation to:

VAT - The University should have due regard to the correct VAT status of goods and services when entering into a contract. Further advice is available from the Finance department and the VAT Guidelines are available [here](#).

IR35 - The University is responsible for deciding whether the off-payroll rules (IR35) apply to a contract and whether the University will be liable and responsible for operating payroll and paying the correct taxes to HMRC. If workers supplied by a supplier are an employee of the supplier, then it is the supplier's responsibility to operate PAYE. The University IR35 guidance is available [here](#).

- 5.2 Ensure that the total cost of ownership has been calculated using whole life cost models/techniques. Total cost of ownership will include "hidden" costs like design changes and longer term costs such as spares, energy consumption, maintenance and disposal. Some suppliers will sell equipment at a lower price in order to make their profit on after-sales services – accordingly all pricing elements should be taken into account in the value of the requirement and, later, during tender evaluation.
- 5.3 Consider using internal items (in-house stock or services) and/or second-hand items and consider if the need is being met elsewhere within the University before considering external procurement. Staff should pose the question, can the need be achieved in any other way before electing to buy new goods or services in line with the University's sustainability policy.
- 5.4 Consider the environmental impact of the goods or services they are procuring. In particular, procurement from sustainable sources should be considered, as should the likely waste disposal issues and regulations (e.g. the Waste Electrical and Electronic

Equipment Directive (WEEE)) when the procured goods reach the end of their useful life. Specifically, the following issues should be considered (this list is not in order of priority):

- Energy usage including mains water and drainage water
- Waste minimisation; process efficiencies and re-cycling opportunities.
- Waste disposal implications, hazards and costs.
- Avoidance of ozone-depleting substances.
- Reduction of volatile organic compounds.
- Reduction of materials containing heavy metals.
- Control of discharges into air, land and water.
- Noise levels generated from plant and machinery.
- Space available to house/site equipment.

5.5 Consider general equality issues specific to individual procurements. Gender, disability and racial equality duties apply to services or works which are carried out by third parties as well as those which are carried out directly by the University. The legal liability for the duty in relation to those works or services remains with the University. If the University is considering letting a contract for services or for works, it should therefore ensure that the companies it contracts with are equal opportunities employers and do not discriminate on the grounds of their race or disability, sex, gender identity, marital, family or part-time status. The relevance of equality issues to a specific procurement contract should be identified at the beginning of procurements, when identifying need and setting the business case, and reflected as necessary in the contract notice and contract documents, including the technical specifications and the terms and conditions of the contract, in accordance with UK and EU procurement rules.

5.6 Other considerations which should be considered include the potential need to develop an “Equalities Impact Assessment”, a procedure owned by the University’s Wellbeing team. Depending upon the type of product or service being purchased, it may also be necessary to consider any implications or actions required linked to the “Modern Slavery Act” and the “Anti Bribery Act”.

6 Authority to Procure

6.1 Authority to procure has been delegated to buyers based locally upon receipt of an approved requisition. All requisitions must be approved by a budget holder or Finance Administrator or the Procurement Department. Where a buyer is also a Finance Administrator, they are permitted to act as approvers of requisitions provided the order has been raised by someone else.

6.1 Only once in receipt of an approved requisition can a buyer or the Procurement Department commit the University to contract. On all new orders or contracts above the value £25,000, it is also mandatory to obtain a financial health check and legal review and authority to proceed via the Procurement Department and the Legal Services Team.

6.2 All orders must be on an official Parabilis (Parabilis is the preferred ordering system, BluQube should only be used by exception) purchase order or must be made via an official purchase card transaction.

- 6.3 All orders for consultancy services must be authorised by the Procurement Department.
- 6.4 All requests involving new suppliers must include a request via the Service Now System (SNOW) to raise a “New Supplier” request procedure.
- 6.5 The University will not accept liability for the payment of any invoice for goods or services supplied against an order, which has not been properly authorised.
- 6.6 The University does not condone any evasion of tax.
- 6.7 **Under no circumstances shall the University’s Terms and Conditions of Business be compromised or varied in any manner without prior written authority from the Head of Procurement or the Legal Services Team.**
- 6.8 Individuals who approve Purchase Orders on behalf of the University are responsible for:
- Verifying the purchase Order is valid and in accordance with BU Financial and Purchasing regulations.
 - Confirming that, where necessary, a Contract Authorisation Form (CAF) and signed contract has been completed and approved.
 - Ensuring details on the Purchase Order match to supporting documentation, including a CAF where relevant.
 - Reviewing and verifying the quantity, price and total amount due.
 - Reviewing and verifying the activity and account codes used.
 - Confirming the correct procurement route has been selected e.g. the use of specific suppliers where the University has arrangements already in place for purchases.

Any questions on point 6.8 need to be referred to the Finance Department.

7 Procurement Routes

- 7.1 Before considering potential suppliers, the optimum procurement route (which might affect the choice of suppliers) needs to be selected. Generally, the procurement route options will be either via a framework agreement or via a bespoke procurement.
- 7.2 Framework agreements are those set up for particular commodities, against which call-offs can be made without resorting to further competition. Where a framework agreement is in place for a particular commodity, it should be considered as the **first resort** for all such commodity requirements. The holders of such framework agreements should be considered as **Preferred or Corporate Suppliers**. However where the requirement cannot be met via the framework agreement, or the University believes that better value for money can be obtained via an alternative procurement route, then use of the framework can be waived (advice should be obtained from the Procurement Team before waivers are actioned). NB: When there is a choice between multiple framework suppliers, such as those placed by an external body (Southern Universities Purchasing Consortium (SUPC), Crown Commercial Service (CCS) etc.), the University will generally select a sole framework supplier best

meeting the University's needs, in conformance with the EU Procurement Regulations. The University is a member of the SUPC and generally supports use of SUPC frameworks subject to the above provisions. For detailed guidance on framework agreements, contact the Procurement Department.

- 7.3 Bespoke procurements are one-off, individual procurements with tailored terms and conditions. The degree of bespokeing will vary depending on value and complexity – for simple procurements below £25,000, an official order calling up University standard terms and conditions will usually suffice.
- 7.4 Other types of procurement, e.g. collaborative procurements, may be appropriate – please contact the Procurement Department if in any doubt.

8 Competition/Sole Sourcing

- 8.1 Competition is a cornerstone of public sector procurement and needs to be considered for each and every requirement, unless a pre-competed route (e.g. a framework agreement) exists. In assessing whether or not competition is practicable, a number of factors need to be considered:
 - Value of requirement/thresholds for competition
 - Timescales of the requirement
 - Technical complexity (ability to specify requirement, proprietary/IP issues)
 - Market for competition (capability, capacity)

8.1.1 Thresholds

- 8.1.2 Competition should be considered for all requirements wherever possible, no matter what value.

- 8.1.3 When the requirement exceeds, or is likely to exceed, £ 181,302 (excluding VAT) in value, competition should be conducted in accordance with EU Procurement Regulations (see Chapter 9, below). Please note that this value may change from time to time and should be checked with the Procurement Department. When there is a valid/justifiable case for sole sourcing, competition may be dispensed with. However, such a case must be robust, defensible against challenge from other potential suppliers and provide demonstrable value for money.

- 8.1.4 For lower value requirements, competition should still be considered though the degree of formality can be varied according to value i.e.:

<u>Value</u>	<u>Degree of Formality</u>	<u>Min. No. of suppliers</u>
£ 181,302 +	Advert and formal tenders	5
£25,000-£181,302	Formal tenders	3
£5,000-£25,000	Written quotations	3
Below £5,000	Quotations discretionary	N/A

Note: the lower thresholds, i.e. those below £181,302, are BU thresholds and as such should include all related costs such as VAT, support costs etc.

8.1.5 Any discussions and or correspondence prior to an offer of contract or contract amendment should be on a “without commitment” basis and this phrase should be clearly stated on any such correspondence. The contract offer/amendment letter should be the only point at which commitment is made.

8.2 **Timescales**

8.2.1 Time factors alone will not ordinarily be sufficient for dispensing with competition. There are relatively quick methods of conducting competition, whether via informal methods (telephone/email quotes) or via EU Procurement Regulations (e.g. the accelerated procedures). However, the need to meet strict timescales can be used as an evaluation criterion, it’s weighting increasing the more urgent the requirement (see Chapter 13 below). In some cases, it may be obvious that only one supplier can meet genuinely urgent timescales, in which case sole sourcing may be appropriate. In other cases, timescales should form part of the competitive process.

8.3 **Technical Complexity**

8.3.1 Some requirements are very complex and competition may not be possible where proprietary rights exist and where there is no equivalent solution.

8.4 **Market for Competition**

8.4.1 Lack of alternative capability/capacity/quality in the marketplace might be sufficient grounds for dispensing with competition. However, this needs careful research and it might be appropriate for an informal approach to be made to potential suppliers to enquire about their willingness and ability to bid for a possible requirement.

8.5 **Small and Medium Sized Enterprises (SMEs)**

8.6.1 SMEs are often local businesses and therefore any assistance to them can bring benefits to the local community and enhance the University’s reputation with the local community.

8.6.2 Whilst it is illegal to unfairly award contracts to SMEs, it is possible to legitimately help them by sometimes separating large procurements into lots and giving fair consideration to the advantages provided by SMEs when formulating evaluation criteria and bid lists.

8.7 **Competition as Default**

8.7.1 Each case should be treated on its merits within an overarching presumption that competition is the default position.

8.8 **Sole Suppliers**

8.8.1 Where competition is impracticable, for one of the reasons detailed above, a sole supplier may be selected.

8.8.2 Reasons for selecting a sole supplier must be clearly documented and will be considered as part of the approval process (see Chapter 6 above). A Sole Sourcing Waiver form (available on request from the Procurement Department) is required to be completed and authorised by the buyer’s line manager and approved by the Head of Procurement. The Sole Sourcing Waiver Guidance document is located in the F&P Public (I) drive.

- 8.8.3 Non-Competitive tendering should be avoided wherever possible, but where such action is unavoidable, single supplier quotations should as far as possible be checked for value for money. This can usually be achieved even where the product or service is very specialist and only available from limited sources. Price and service factors should be compared to similar goods or services, which are related. It may also be possible to ascertain prices paid by other customers, particularly in the University sector.

In all cases of non-competitive purchase, alternative products or services should be identified for future requirements where this is practical. It is often possible to identify alternative types of product or service by providing the need in different ways.

If the product or service is simply the first to market, it is likely that others will follow, although there will always be exceptions.

If a particular requirement of sizeable annual value cannot be sourced competitively, it should be registered with the Head of Procurement.

Records of non-competitive tendering should be maintained in the same way and to the same standard to that of competitive tendering.

The following chapters (9 to 15) relate to high value procurements (those valued at £25,000 and over). However, the principles will apply and should be followed wherever practicable for lower value requirements in addition to Chapter 16, which deals specifically with lower value requirements.

9 EU Procurement Regulations

Commentary:

As a Public Authority under the definition of these regulations, Bournemouth University is subject to the full force of these European Regulations. The latest version of the regulations is the "Public Contracts Regulations 2015" (PCR2015).

All purchases which fall within the defined categories and financial thresholds will always be managed by the central Procurement & Legal teams.

9.1 Part A/B

- 9.1.1 With effect from February 2016, Part B Services were abolished.
- 9.1.2 A light touch regime has been introduced which partly replaces the old Part B services for certain commodities/services.

9.2 Commodity Codes

- 9.2.1 Commodity codes are groupings of products and groupings of services with similar characteristics or groupings of work activities (building/civil engineering) which perform a separate economic and technical function and which the University purchases by way of contracts or other purchasing arrangements. The way in which these groupings are determined impacts on the number of contracts which are subject to European procurement legislation as the spend for purchases/contracts for each commodity code is compared against the published thresholds to say when the Regulations must be applied (See Aggregation – 9.4).

9.3 Thresholds

9.3.1 Thresholds are defined in the European Procurement Regulations (and in the UK the Public Contracts Regulations 2015) in European Currency Units (ECU), or in the case of sterling converted through the Special Drawing Rights process (SDR). The value of the ECU is assessed every two years and published in the Official Journal of the European Union (OJEU).

9.4 Aggregation

9.4.1 The EU Directives require that public bodies, such as universities, aggregate the value of their Supplies, Services and Works contracts/purchases to establish whether or not these are subject to the full application of the Regulations and whether the publication of a Periodic Indicative Notice is required.

9.4.2 Aggregation is the process which involves estimating and totalling the University's spend on purchase/contracts for individual Supplies, Services and Works Commodity Codes. These aggregated values are then compared with the appropriate published threshold values. Where the aggregated spend exceeds these values, the Regulations must be applied.

9.5 General Rules on Aggregation

9.5.1 Aggregated values are calculated exclusive of Value Added Tax.

9.5.2 Aggregated values must be calculated to the highest potential contract value i.e. it should include the value of anticipated variations, contract amendments and options.

9.5.3 Contracts must not be split to avoid the regulations. However, contracts that are covered by the regulations (through aggregation or otherwise) may subsequently be advertised as separable lots.

9.5.4 The value of all contracts for a commodity code must be taken into account.

9.5.5 If the contract period is greater than 12 months, the value is calculated by totalling the spend over the whole contract period.

9.5.6 If the commodity group has no previous history, the estimated expenditure for the commodity group during the 12 month period following the first delivery date is used to calculate the value. (Again, if a contract is let for a period of greater than 12 months, the value is calculated as the total estimated expenditure over the whole contract period.)

9.6 Award Procedures

- 9.6.1 The main award procedures under the European procurement regime are: Open, Restricted, Competitive Dialogue, Negotiated, Competitive Procedure with Negotiation and Innovation Partnership. It is possible in some cases to accelerate the timetable. The most common instance is with the Restricted procedure, which is sometimes then informally referred to as the Accelerated procedure
- 9.6.2 The Open procedure is unlikely to be used by the University as there is no control over the number of tenders submitted. Any proposal to use the Open procedure, for example, where there are known to be few suppliers in the market, should be referred to the Head of Procurement for prior approval.
- 9.6.3 Under the Restricted procedure, only those companies shortlisted by the University may submit tenders and, for this reason, the Restricted procedure is the default procedure for the University. Guidance on shortlisting is contained in Chapter 10, below. In terms of numbers on the shortlist, a range may be stated in the OJEU advertisement e.g. between 5 and 10. However the advertisement must not state less than 5 or more than 20. Where a range is not mentioned, sufficient companies (i.e. between 5 and 20) must be shortlisted to ensure genuine competition. Of course, if less than 5 fulfil the shortlisting criteria, then a lower number is allowable. With effect from April 2017, timescales for the Restricted procedure are 30 days for the Selection Questionnaire (if a suitable Prior Information Notice, or PIN, is issued this reduces to 15 days) and 30 days for the Tender (if a suitable PIN is issued this reduces to 10 days). If the procurement is urgent (with or without a PIN) the timescales are 15 days for the Selection Questionnaire and 10 days for the Tender. See Chapter 15 for contract award guidance.
- 9.6.4 Competitive Procedure with Negotiation, for procuring services or supplies that require adaptation or design inputs, the use of the Competitive Procedure with Negotiation is likely to be of value. In cases of complex purchases, such as sophisticated products, intellectual services or major information and communication technology tools, the University may have to start a dialogue with the bidders in order to guarantee the satisfactory outcome of the procurement process.

This procedure should not be used for 'off-the-shelf' services or supplies, where many suppliers can deliver the service or product.

As a minimum, the processes must be carried out in a transparent way that ensures there is no distortion of the market place, the outcome cannot be a procurement that unduly favours or disadvantages a particular bidder and it is the responsibility of the University to make sure that these requirements are met.

Local buyers can also use the Competitive Procedure with Negotiation where all of the submissions received for an Open or Restricted Procedure conducted are classed as either irregular or unacceptable.

The use of Competitive Procedure with Negotiation must be justified and the reasons recorded. Any proposal to use this procedure must be referred to the Head of Procurement for prior approval.

- 9.6.5 Under the Negotiated procedures, the University may consult with selected suppliers and negotiate directly with them. This may be with or without a call for competition, depending on the circumstances. When a call for competition is made, the competitive dialogue procedure may be followed. The Innovation Partnerships procedure may be awarded to one or more suppliers using the competitive procedure

with negotiation. However, given that the use of the negotiated procedure is strictly limited and is likely to be applicable only to high value/high complexity procurements, any proposal to use this procedure must be referred to the Head of Procurement for prior approval.

9.6.6 Iterative tendering is an acceptable part of the Negotiated procedure and may be desirable for a procurement under the Restricted procedure. However, given the risks involved, any iterative tendering under EU Procurement Regulations must be with the prior approval of the Head of Procurement. See also Chapter 14.

9.6.7 Post tender negotiation on price is specifically ruled out under the Open and Restricted procedure – only clarification discussions may be carried out. Given the risks involved, any post tender negotiations under EU Procurement Regulations must be with the prior approval of the Head of Procurement. See also Chapter 14.

9.7 Advertisements

9.7.5 Most requirements covered by the EU Procurement Regulations will need to be advertised in the OJEU and in Contracts Finder. Some requirements do not need to be advertised in the OJEU but they may be advertised elsewhere e.g. on www.tenders.ac.uk or the University's website.

Under the new regulations, all tender opportunities and subsequent awards which exceed £25,000 including VAT must be advertised in the "Contracts Finder".

10 Supplier Selection

10.1 Elements of Supplier Selection

10.1.1 When selecting potential suppliers to tender for requirements, a number of elements must be considered and checked :

- Criteria for selection (including provisions of new EU Directive, PCR 2015)
- Pre-Qualification
- Financial/credit checks
- Past performance
- Grave misconduct/criminal conviction e.g. serious findings against a potential supplier in an Employment Tribunal or Court, money laundering conviction.

10.2 Selection Criteria

10.2.1 A number of selection criteria may be used to pre-qualify potential suppliers, usually under the generic headings of Financial Capacity and Technical Capacity.

10.2.2 Criteria in the former could include profitability, ratio of turnover to contract value and credit rating.

10.2.3 Criteria in the latter could include previous experience, accreditations, health and safety policies.

10.3 Pre-Qualification

10.3.1 Pre-qualification is necessary to ensure the right type and number of suppliers are invited to tender. Use of a Selection Questionnaire (SQ) is recommended for larger procurements, although a thorough evaluation of a detailed Expression of Interest

(Eol) might suffice. In the latter case, the OJEU must be sufficiently detailed to provide potential suppliers with enough information for them to submit a meaningful Eol.

10.4 Financial/Credit Checks

10.4.1 An important part of supplier selection is ensuring that all potential suppliers have the financial capacity and stability to fulfil the requirement both during and after the contract (the latter for any post-contract requirements such as warranties, further work). Financial suitability can be checked in a number of ways such as: a review of accounts submitted as part of the expression of interest (Eol); comparison of contract requirement with a company's turnover to ensure the value of the work is not disproportionate to the company's finances; credit/financial health checks obtained via the Procurement Department.

10.5 Past Performance

10.5.1 Whilst the University does not operate a formal vendor rating register or system, contract files from previous procurements with suppliers might provide useful information regarding past performance. However, in the absence of a formalised process for assessing past performance, such information should be used carefully and in conjunction with other pre-qualifying information.

11 Invitation to Tender (ITT)

11.1 Issuing the ITT

11.1.1 All tenderers must be invited to tender simultaneously and in writing. The EU legislation requires tenders to be issued in the fastest practicable manner.

11.1.2 As far as is possible, all documents covering both the selection of bidders and the Invitation to Tender must be available for downloading at the point of advertising the opportunity. This is a change as the result of PCR2015.

11.1.3 Note: Whether the EU Directives are being used or not, these actions are best practice and should be applied as a matter of course.

11.2 Format of the ITT

11.2.1 The ITT will have a number of sections but should contain enough information in order to allow tenderers to submit compliant responses, for example:

- A draft contract with terms and conditions.
- Award criteria, if not already issued.
- Likely pricing mechanisms (fixed, ascertained cost, etc) and payment terms, including any retentions/vesting issues.
- Specification
- Guidance on the format and receipt of tenders (including intention to tender responses, treatment of late tenders, any requirement for Parent Company Guarantees, etc.).
- Guidance on tender clarification, amendments, pre-tender meetings, post tender interviews, Q&As, extension of time.

11.2.2 Appropriate University contract terms and conditions should be included that the contractor must comply with:-

- A number of alternative sets of University conditions are available for use depending upon the type of purchase.
- The key terms are the short-form, long-form and services conditions all of which are held in the Legal Services collaborative folder.

11.3 Tender Clarification and Amendments

11.3.1 Tender clarification and tender amendments occur once the ITT has been issued. Tender clarification occurs through discussion between a tenderer and the University in order to clearly identify the requirement. This does not result in any change to the ITT. The details of these clarifications should be issued to all other tenderers (unless the discussions are to clarify a tenderer's offer, in which case it will be kept confidential to the tenderer e.g. where a minimum specification has been provided to generate innovative technical solutions). All clarifications should be numbered and dated. It is important that responses to clarifications are issued to all tenderers at the same time and within a reasonable period of time prior to return of tenders.

11.3.2 Tender amendments occur when one or more elements of the tender is changed resulting in an amendment to tender documents being issued to specify the change to the original ITT requirements. Once an ITT has been issued, amendments must be issued simultaneously to all tenderers at any time prior to 6 working days before the final date for return of tenders. Consideration should be given as to whether the tender return date is then reasonable due to the additional information being issued.

11.3.3 Where amendments are of a significant nature, consideration should be given to withdrawing the ITT and recommencing the tender process. Any change in the vendors invited to tender must be fully justified under the EU Directives.

11.3.4 All amendments and clarifications must be issued by the F&P Procurement Department.

11.4 Extension of Time

11.4.1 It is vital that tenderers are allowed adequate time to prepare and submit tenders. The time allowed must take into account the complexity and extent of documentation, pre-tender meetings and site visits.

11.4.2 It may be necessary to grant an extension of time for the return of tenders for a number of reasons such as unforeseen circumstances or through tender amendments.

11.4.3 When an extension of time is being assessed, consideration must be given to the strategic and programme implications before it is granted.

11.4.4 A request by a tenderer for an extension of time should only be granted if reasonable, consistent with the University's requirements, and at least 3 working days prior to the tender return date. Should an extension be granted, then the extended response date and time must also be offered to the other suppliers that received a tender.

11.5 Pre-Tender Meetings and Site Visits

- 11.5.1 Pre-tender meetings and site visits are arranged by the F&P Procurement Department in conjunction with the User Department. A pre-tender meeting or site visit may be required where the issues contained in the tender are complex or where there is an element of interpretation in the specification. These meetings are designed to clarify the exact requirements of the tender and allowable variants.
- 11.5.2 All vendors selected to receive an ITT must be invited to attend such meetings or visits where these are part of the tendering process. This invitation must be undertaken in writing.
- 11.5.3 Tenderers should be invited as a group, but where separate meetings or visits occur, all tenderers should receive the same information.
- 11.5.4 Minutes of meetings should be taken and circulated to all tenderers. Items confidential to individual tenderers should be treated as such. In certain circumstances, pre-tender or site visit notes can be incorporated into the tender documentation.

11.6 Regulation 84 (1) – Reporting & Documentation Requirements

Under **Regulation 84(1)** of the Public Contracts Regulations 2015, there is now an obligation to create a report on every over-threshold public contract and framework agreement entered into, and to send a copy of this to the Cabinet Office if requested to do so.

11.7 Return of Tenders

11.7.1 Prior to tender return:

- Tenderers should be reminded, if necessary, of the date and time for return of tenders.
- Tenderers should be permitted to submit revised tenders or written amendments at any time up to the time and date specified for the return of tenders.

12. Tender Receipt and Treatment

12.1 Receipt of Tenders

12.1.1 The date and time (if applicable) of receipt should be recorded and tenders should then be stored in a secure location until opening. Tenders should be treated as confidential documents. The central Procurement team now operates an electronic tendering portal “Intend” which automatically sets up these tender opening routines.

12.2 Tender Opening

12.2.1 Tenders must not be opened before the date and time for return of tenders specified in the ITT or such amended date and time as may have been advised to all tenderers. Tender opening must be undertaken by an individual with the appropriate authority in the presence of an independent witness. If Procurement is handling the process, then this will be conducted through the In-tend website.

12.2.2 The ‘Tender Case Audit Form’ must be completed and signed upon the opening of the tenders and if a tender has not been received, this must be recorded on the ‘Tender Case Audit Form’.

12.2.3 All pages (including copies of tenders) that refer to any financial information i.e. cost, discounts must be date stamped and signed by the responsible officer and an independent witness.

12.2.4 All tenders that are related must be opened at the same time

12.2.5 EU legislation requires acceptance of tenders by letter, fax, email or via “Intend”.

12.3 Late Tenders

12.3.1 Late tenders should only be accepted if the postmark/couriers delivery note indicates that they were dispatched in sufficient time to arrive by the due date.

12.3.2 All unaccepted tenders should be returned to the tenderer, unopened and accompanied by an explanatory letter.

12.4 Initial Checking and Non-Compliance

12.4.1 Once opened, tenders should be checked to ensure they contain all relevant information and any non-compliance should be noted. Tenders may be ruled out for non-compliance.

12.4.2 Part of the checking process is to ensure any honest mistakes are highlighted. For example, should an abnormally low price be tendered, it may be a mistake and the tenderer should be contacted to confirm that the price tendered is what he/she intended.

12.5 Distribution to User Department

- 12.5.1 Once checked, tender documents will be distributed to the User Department for evaluation. Depending on the agreed process, this may exclude pricing information at this stage.

12.6 Use of Electronic Tendering Portal

The University has adopted and implemented a new electronic tendering portal called "Intend". Where this fully electronic tendering system is used, many of the prescribed procedures in paragraphs 12.1 to 12.5 are automated.

13 Tender Evaluation

13.1 Process for Evaluation

- 13.1.1 It is desirable for the evaluation process to be in place before ITTs are issued. The process should be fair, documented, clearly understood by all and potentially releasable under Freedom of Information. Care should be taken to ensure there is no discrimination in evaluation criteria or scoring e.g. on the grounds of gender or ethnic origin. The process should include the step-by-step process for treatment of the tenders, who is involved in the process, what their responsibilities are, timescales, detailed instructions on conduct/scoring/ communications/security, etc.

13.2 Scoring/Weighting

- 13.2.1 If an EU procurement, the headline scoring/weighting criteria (i.e. ranked criteria or range of weightings) will already have been advertised in the OJEU and/or the ITT. Detailed scoring/weighting criteria, consistent with any advertised criteria, need to be devised and agreed before tenders are returned. The value/complexity of the procurement will determine the level of granularity of the scoring/weighting. All scoring/weighting systems will include price, quality and delivery but more detailed systems might also include whole life costs, relationship fit, after sales service, reliability, innovation, added value, future proofing, etc. F&P Procurement Department hold examples of scoring/weighting matrices.
- 13.2.2 Scoring should be carried out independently of other scorers (even when in scoring teams) except where there is a moderator or controller who can independently advise on (though not influence) scoring issues. Scorers (or scoring teams) may only score certain aspects of tenders e.g. the commercial response or the technical response. Scoring should always be objective and limited to the tender response. Scores should be kept confidential until they are assimilated.

13.3 Assimilation of Evaluation Outputs

- 13.3.1 Scores should be assimilated in a manner which allows no changes or premature disclosures to be made. At this stage, there may be some analysis/justification/moderation of scores. Ultimately, this stage should result in a ranking of the tenders.

13.4 Selection of Preferred Bidder(s)

- 13.4.1 Once tenders have been ranked, the key decision makers should agree on a clear winner (to whom the contract should be awarded) or a preferred bidder if further clarification is required. Preferred bidders are usually appointed for high value/complexity requirements where further stages in the procurement process are

required such as due diligence (see Chapter 14). It would be unusual to appoint multiple preferred bidders unless more than one contract is being awarded. However, a reserve bidder might be appointed where appropriate.

13.4.2 When there is not a clear winner, iterative/best and final tendering might then be required (see Chapter 14), with the approval of the Head of Procurement.

14 Pre-Contract

14.1 Post Tender Clarification/Negotiation

14.1.1 When there is a clear winner but certain aspects of the winning tender are unsatisfactory, post tender negotiation may be required before a contract can be awarded. The aim is to clarify, and in certain circumstances, improve the winning tender such that it is wholly acceptable to the University. However, care must be taken to avoid changing or adding to the requirement (which might call into question the competitive process) and, where it is an EU procurement, negotiation on price or any other material matter is not generally allowed.

14.2 Best and Final Offers/Iterative Tendering

14.2.1 When there is not a clear winner, a second round of tendering may take place involving those tenderers whose tenders have passed the initial evaluation. The process to be followed should be the same as for the original tenders and care should be taken that the requirement is not added to or changed. The aim should be to have a clear winner from the process. However, iterative tendering should be used selectively – if tenderers believe there will always be a second round, they may be disinclined to submit a competitive tender in the initial tendering exercise. It should also be remembered that iterative tendering does not always widen the gap between tenderers and the University may be faced with making a decision on the basis of marginal differences between tenders.

14.3 Due Diligence

14.3.1 When a preferred bidder has been appointed, there is usually a further stage in the process before contract award called due diligence. During due diligence, the preferred bidder will require more detailed information about the requirement (which the University will be obliged to provide) in order to validate his assumptions made when first bidding. The University might also request further details about the bidder's proposed solution at this stage. If due diligence reveals risks that the preferred bidder had not assumed, then the University may be requested to assume explicit risks in exchange for the bidder maintaining his tendered price.

14.3.2 The aim of due diligence is to result in a contract award to the preferred bidder. Should this aim not be met, the University may discharge the preferred bidder and commence dialogue with the reserve bidder. If there is no reserve bidder, or the reserve bidder declines to take any further part, the competition may have to be re-started.

14.4 Parent Guarantees/Performance Bonds

14.4.1 Where the procurement is strategic to the University, some form of performance guarantee may be required to ensure the supplier fulfils the contract. This might take the form of a parent company guarantee or performance bond. Any requirement for these will have been included in the ITT and the bidders should have included sample responses in their tenders. Actual guarantees/bonds should be taken up during due diligence and before contract award.

14.5 **Key Performance Indicators (KPIs)/Service Level Agreements (SLAs)**

14.5.1 Where appropriate, KPIs/SLAs may be required which detail the individual service levels and how delivery of those service levels is to be measured. Draft KPIs/SLAs may have been provided in the ITT/Tender and these should be firmed up and agreed during due diligence and before contract award.

14.5.2 KPIs/SLAs should cover any sub-contract performance/obligations and allow the University to discharge any of its obligations covered by the service e.g. its race, disability or gender equality duties.

15 **Contract Award**

15.1 **Internal Approval/Signature**

15.1.1 Before the contract award decision is communicated outside of the University, the order must be approved and authorised in accordance with the Financial Authority Limits detailed in the Financial Regulations Version 6 dated 25th November 2016.

15.1.2 For sole supplier or Non-Competitive contract awards the limits of Financial Authority detailed in the Financial Regulations dated 25th November 2016 must be applied at the next level above the devolved limit to provide greater scrutiny and higher level authority.

15.1.3 This authority to commit the University to external expenditure on goods or services must have also satisfied the Legal review process as detailed in the "Contract Signing Policies & Procedures" Version 3 dated 16th December 2014.

15.1.4 If the forecast contract value exceeds £500,000, including VAT, then authority is required from the University's main Board.

15.1.5 Contract signature follows the notification process outlined in paragraph 15.2 below.

15.2 **Notification Process**

15.2.1 As soon as a contract award decision has been made, all tenderers should be notified.

15.2.2 For procurements covered by EU Procurement Regulations, a mandatory standstill period of 10 calendar days must be observed between the award decision and formal contract award. A contract award notice must then be published within 48 days of the contract award. The award must also be advertised in the "Contracts Finder".

15.2.3 Unsuccessful tenderers should be notified in writing as soon as the award decision has been made and a debrief should be offered to them. A greater level of detail is required under EU procurements, such as the score of the unsuccessful tenderer. If an unsuccessful tenderer requests a written debrief, it should be treated as if it were a request under the Freedom of Information Act. All such requests for written debriefs should be referred to the Head of Procurement. Whilst the Act includes a presumption

of disclosure, it also protects information supplied confidentially (such as prices), where a breach of such confidentiality would be actionable. In practice, this means that detailed pricing information about a winning bid will not be disclosed to the unsuccessful tenderers but broad/rounded pricing information may be disclosed.

15.3 Internal Communications

- 15.3.1 Once the contract has been signed, internal customers should be notified via an agreed communications plan. For University -wide contracts, such as framework agreements, a wider communications plan will be needed which might include a global email, entry on web pages and road shows with the supplier.

16 Lower Value Requirements

- 16.1 For requirements valued under the EU threshold of £181,302, the strict regulations contained in Chapters 9 to 15 may not be appropriate. However, the principles will apply and should be followed wherever practicable. More detailed guidance on lower value requirements is set out below.
- 16.2 Less formal Requests for Quotations (RFQs) may be used to obtain quotations. Receipt and assessment of quotations may be undertaken by the User Department. Quoted prices should be challenged where it is believed best value is not being offered.
- 16.3 Award of contract must be documented, particularly where the supplier submitting the lowest value quotation is not selected. Where a higher value quotation/supplier is selected, clear reasons must be stated.
- 16.4 Contract award should be confirmed through the issue of an official purchase order. All purchases must be covered by an official Parabilis order (Parabilis is the preferred ordering system; BluQube should only be used by exception). Orders must specify key details of the goods or services ordered including product or service type or specification, delivery date and address plus any other key deliverables such as after sales support or warranty. For more complex goods or services, it may be prudent to produce an award letter to be attached to the order which details more comprehensively what is being purchased. Staff should ensure that a "Tender Case Audit Form" is completed for all purchases above £5000. This form is located in the F & P Public I Drive.
- 16.5 Unsuccessful bidders need not be notified of the outcome unless they ask.

17 Added Value Reporting

- 17.1 The University is required to record and report efficiencies/savings made through the procurement process. Such efficiencies/savings should be recorded within the case papers and made available if so requested by F&P.

18 Contract Management

18.1 Performance Measurement

- 18.1.1 The performance of the supplier should be monitored throughout the life of the contract and should be measured where KPIs/SLAs are in place. Incidents of poor or

under performance by suppliers should be immediately notified to the F&P Procurement Department.

18.2 Supplier Relationship Management (SRM)

18.2.1 Whilst the working relationship with the supplier is the responsibility of the User Department, the wider supplier relationship will be the responsibility of the Head of Procurement who will act as:

- Focal point for University-wide issues with the supplier.
- Escalation point for issues that cannot be resolved at the local level.
- Point of contact for all supplier-produced management information.

19 Contract Amendment

19.1 Process for Amending Contracts

19.1.1 Contracts are living documents and it is quite usual for amendments to be required during the life of a contract. However, care should be taken that a contract amendment does not weaken the University's rights e.g. by enshrining a delay. Care should also be taken that the contract amendment value is not disproportionate i.e. where a new contract might be more appropriate. If the original contract was tendered under EU public procurement rules, advice must be obtained from the F&P Procurement Team before material amendments including any extensions to contract period are agreed.

19.1.2 Each amendment should be treated as if it were a contract in its own right, with offer/acceptance, etc. clearly documented. Signature of the amendment should conform to University delegations.

19.2 "Without Commitment"

19.2.1 Any discussions and or correspondence prior to an offer of contract or contract amendment should be on a "without commitment" basis and this phrase should be clearly stated on any such correspondence. The contract offer/amendment letter should be the only point at which commitment is made.

19.3 Aggregation Rules for Amendments

19.3.1 The aggregation rules detailed in Chapter 9 apply to contract amendments. Should a contract amendment value take the new contract value over the EU thresholds, consideration should be given to advertising the whole requirement.

20 Contract Completion

20.1 Upon completion of the contract, the goods or services should be receipted and paid for as outlined in Chapter 21 below.

20.2 All documentation relevant to the contract should be filed and kept for a minimum of 6 years (12 years if under the University's seal) from completion of contract activity (or warranty period if later). This is so that any contract related matters can be pursued if need be. Other than those for Estates and ICT, original procurement contracts not on either the B2B Visa or the University's standard Purchase Order terms should be sent to Legal Services for safe-keeping: one or more working copies of such contracts (as

need be) should be retained locally.

- 20.3 Once goods have reached the end of their useful life, they should be considered for re-use, re-cycling or waste disposal in accordance with appropriate legislation (e.g. WEEE regulations).

21 Other Contractual/Procurement Issues

21.1 Receipt of Goods

21.1.1 At the delivery point, the packaging and, as far as possible, the condition of goods must be checked promptly on receipt to ensure that they are acceptable. At this stage, the recipient who signs on behalf of the University should note any apparent defect on the delivery notice. If serious damage is discovered at the delivery inspection, it is recommended that contact is made with the Procurement Team. It is likely that a full rejection at the point of delivery would be the preferred action in this case.

21.1.2 Goods should then be transferred promptly to the users or storage where further inspection will take place following unpacking. Those that are rejected for any reason must be reported promptly by the person who placed the order originally. Such action to the supplier and/or haulier should be within the specified time scale and replacement(s) sought urgently.

21.2 Payment for Goods

21.2.1 Following receipt and acceptance of goods, payment will be made on receipt of the appropriate invoice after reconciliation with the original order and delivery documentation. Payment terms need to be verified. The standard payment terms are 30 days; shorter periods can be agreed by prior arrangement.

21.2.2 Before any invoice is passed for payment it is to be checked against the original order to ensure that the following conditions have been met:

- That the goods have been received.
- That they have arrived on time.
- That they arrived in good order.
- That the correct quantity and quality was delivered.
- That the correct price is being charged, (price quoted at the time of ordering).

21.2.3 **VAT** - The University should have due regard to the correct VAT status of goods and services when entering into a contract. Further advice is available from the Finance department, the VAT guidelines are available at <https://intranet.sp.bournemouth.ac.uk/policy/VAT%20Guidance%20Notes.pdf>

21.2.4 **IR35** - The University is responsible for deciding whether the off-payroll rules (IR35) apply to a contract and whether the University will be liable and responsible for operating payroll and paying the correct taxes to HMRC. If workers supplied by a supplier are an employee of the supplier, then it is the suppliers responsibility to operate PAYE. The University IR35 policy is available at:

<https://staffintranet.bournemouth.ac.uk/aboutbu/professionalservices/financeandperformance/financialoperations/payroll/>

21.3 Disposals

All planned or proposed disposals of goods or equipment where the original purchase value exceeds **£1,000** (incl. VAT), should be passed to the Head of Procurement to facilitate or co-ordinate disposal action. Disposals where the original purchase price falls below this limit can be actioned at Faculty or Professional Service level provided that records are maintained and normal budgetary authority can be evidenced.

21.4 Document Change Control

This Procurement Manual document will follow a formal change control process. All variations will be fully agreed with the Head of Procurement. Only the Head of Procurement can implement changes.

22. Business Relationships

22.1 Ethics Policy

22.1.1 It is the policy of the University to conduct its business and operations in accordance with the highest ethical standards. The University's Financial Regulations are applicable to all members and all business operations conducted by members of staff on behalf of the University.

22.2.2 In cases where there is any question as to whether a given course of action complies with applicable laws or regulations, or with the ethical standards of the University or its policies, advice should be sought in the first instance from the individual's line manager. Line managers may elect to seek further guidance from the Director of Finance & Performance or Head of Procurement.

22.2 Business Dealings

22.2.1 The reputation for integrity must be at the very foundation of the University's business and operations. Every effort should be made to preserve this reputation with all that do business with the University by adopting a professional approach at all times.

22.2.2 Each employee has a responsibility and obligation to comply with the Financial Regulations, Financial Procedures, Contract Signing Policies & Procedures and Procurement Manual of the University. Failure to comply with these may result in disciplinary action being taken.

22.3 Conflict of Interest

22.3.1 Every employee should be cognisant of and avoid circumstances which could lead to a conflict of interest with respect to the performance of their duties on behalf of the University. Any employee, who has a conflict of interest, real or implied, must declare that interest to their Dean of Faculty/Director of Professional Service. If the Dean of Faculty/Director of Professional Service has a conflict of interest, it must be declared to the Director of Finance & Performance or the Head of Procurement.

22.3.2 No employee may accept or solicit favours of gifts from any external organisation. The only exceptions to this policy are stationery or promotional items of small or nominal values which usually carry the donor's logo, e.g. company diaries or calendars.

22.3.3 Any information received during the course of business shall be treated as confidential and not used to personal advantage.

Glossary

Aggregation	The term used to describe the process of estimating total values of spend for comparison with Thresholds .
Assignment	<p>Whereas a Novation cancels the original Contract, an Assignment does not by itself cancel the original agreement. The parties can by agreement decide what to transfer. This can be as comprehensive as all rights and liabilities or more limited in nature. The assignment gives rights between the parties who sign it; there is no need for the third party to be party to the assignment. However, they should be involved in the process. Whilst strictly any action against the new party needs to be taken in the name of the original party, this is a theoretical problem only as there is always the right of subrogation i.e. the right to stand in the position of the assigning party.</p> <p>Before assignment can take place, it is essential to check that there is no bar on assignment in the original Contract, or if assignment is allowed, that any conditions are attached to it.</p>
Budget Holder	The person with authority to delegate the procurement of goods and services.
Commodity Group	The range of Supplies or Services or Work Activities which may be procured against a single ITT, it does not follow that there will only be one Contract for any one Commodity Group .
Contract	Any written legally binding agreement for pecuniary interest including Purchase Orders and lease and hire agreements.
Contract Amendment	A change to a Contract which cannot be exercised by a Variation . It includes the exercise of an Option .
Contract Award	The written notification to a Tenderer that has been awarded a Contract .
Contract Award Criteria	Objective criteria by which Tenders shall be evaluated.
Derogation	Exemption from specific aspects of the Regulations .
Finance Administrator	Member of a Faculty or Professional Service authorised by a Budget Holder to approve requisitions.
Framework Agreement	A Contract which establishes prices and terms over a finite period under which a Vendor assumes specific obligations and against which Call-Off Orders are placed.

ITT	Invitation to Tender which contains all the relevant commercial and technical documentation against which a Tender may be submitted and evaluated.
Isolated Purchase	A one-off Contract which is not a Regular Purchase .
Local Buyer	A person authorised to procure goods and services on behalf of the University.
Negotiated Procedure inc Competitive Procedure with Negotiation	<p>A procedure for inviting Tenders from a limited number of Tenderers under which some form of negotiation must occur.</p> <p>Competitive with negotiation procedure This process is new in the Public Contracts Regulations 2015 and allows public authorities to negotiate with more than one Tenderer in order to select a preferred Tenderer and to award a contract; it also allows dialogue with Tenderers prior to submission of final Tenders.</p>
Novation	<p>Novation is a transaction by which, with the consent of the parties concerned, a new contract is substituted for that already made. In effect the original Contract is cancelled and the new Contract stands in its place. The new Contract may be between the same parties or it may involve the introduction of a new party.</p> <p>All parties have to sign the Novation Agreement. All rights and liabilities under the original contract are therefore cancelled and the party who is leaving the agreement is free of it. As novation involves the cancellation of a Contract, it is advisable that all parties know what is intended as otherwise they may insist on the affirmation of the original Contract and refuse to allow Novation.</p>
OJEU	The Official Journal of the European Union.
Open Procedure	A procedure for inviting Tenders whereby all Vendors who express an interest must be sent the relevant ITT .
Option	A potential change to a Contract which is foreseen, declared in the ITT and included in the Contract .
PIN	Periodic Indicative Notice . An advertisement, published in the OJEU that indicates the future Procurement intentions of the University .
Preferred Supplier	A supplier used as a first resort for a particular commodity.
Procurement	The process of inviting Tenders and awarding Contracts .

Qualification	The process whereby the University assesses whether or not Applicants should become Approved Vendors .
Regulations	All relevant European Procurement Directives and UK legislation.
Restricted Procedure	A procedure for inviting Tenders from a limited number of Tenderers under which only matters of clarification may be discussed and any negotiation which could affect price is not permissible.
Sub-Contracting	The establishment of a contractual relationship between a Vendor and a third party.
Tender	An offer, in response to an ITT , to perform Works , provide Supplies , or perform Services for a consideration.
Tender Notice	A notice, published in the OJEU which invites Vendors to express interest in receiving an ITT .
Tenderer	A Vendor invited to submit a Tender .
Threshold(s)	Values specified in the Regulations against which estimated total values of spend for the Commodity Code is compared to determine whether the Regulations apply.
User Department	A Faculty/Professional Service or Department of the University with a need to procure goods or services.
Variation	A change to a Contract except the exercise of an Option .
Variants	Alternative proposals which may be submitted in response to an ITT .
Vendor	A potential or actual supplier, service provider or contractor.
WEEE	Waste Electrical and Electronic Equipment Directive
Works	An umbrella term to denote the totality of Works Activities and free issue Supplies and Services necessary to complete a Unit.