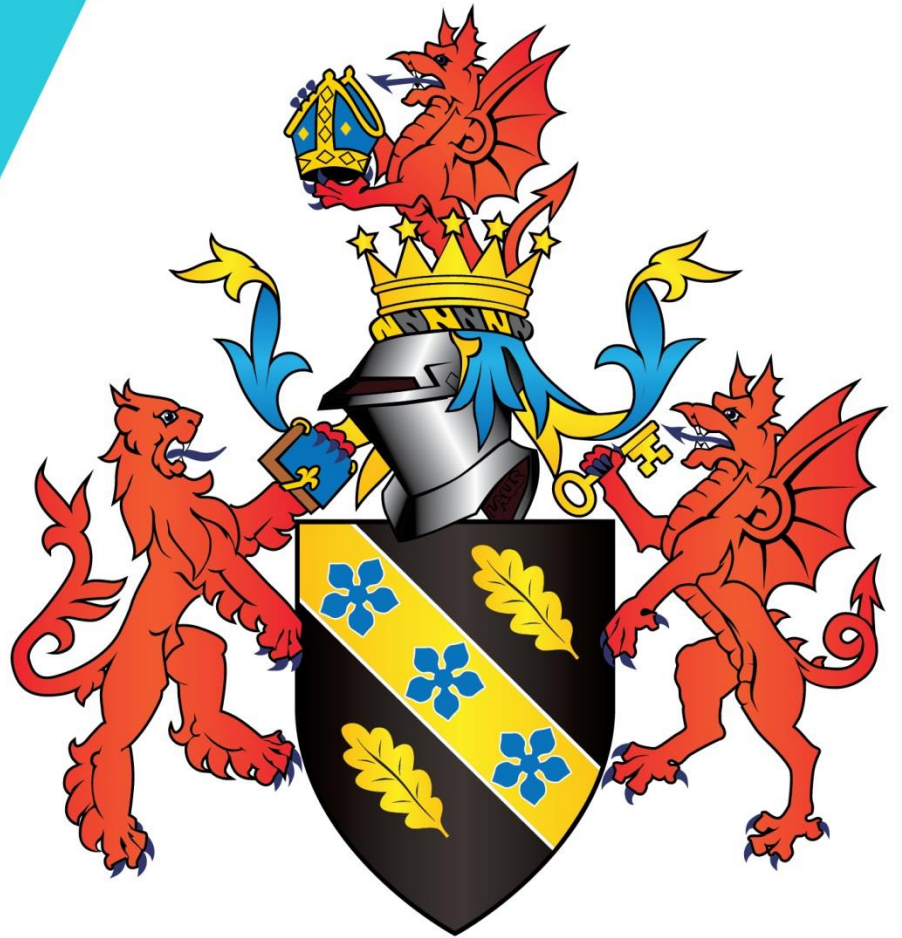




Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David



Procurement Policy

Table of Contents

GENERAL PROVISIONS	5
1. Background	5
2. Status of Procurement Policy	5
PURCHASING	6
3. Purchasing Function	6
PURCHASING OBJECTIVES	6
4. General Objectives	6
5. Environmental Objectives	7
6. Achieving Environmental Objectives	8
PURCHASING STRATEGY	8
7. Aim of Strategy	8
PURCHASING TARGETS	9
8. Purchasing Standards	9
PURCHASING FOUNDATIONS	9
PROCUREMENT PRACTICE	9
RESPONSIBILITIES OF AUTHORISED PURCHASERS	10
9. Responsibilities	10
CODE OF ETHICS	10
10. Introduction	10
11. Precepts	10
12. Guidance	11
DUTIES AND RESPONSIBILITIES OF BUDGET HOLDERS	11
13. Basis of Accounting	11
PURCHASING AND ORDERING PROCEDURE	12
14. Exceptions to Ordering Procedure	13
SUSTAINABLE PROCUREMENT	14
15. Sustainable Procurement	14
16. Key impacts during the life of products	14
17. Whole Life Costing	14
SMALL VALUE PURCHASES AND PURCHASE SPECIFICATION	16
18. Petty Cash Procedures	16
19. Specifications	17

QUOTATION PROCEDURE - GENERAL	17
20. General Quotation Procedure	17
TENDERING PROCEDURE – GENERAL	18
21. General Tendering Procedure	18
22. Opening Tenders	18
23. Post Tender / Quotation Clarification	19
24. Procurement for ESF / ERDF/ EAGGF Funded Projects	20
25. ERDF Funding	20
26. EU Legislation	20
EUROPEAN PROCUREMENT DIRECTIVES – A BRIEF GUIDE	20
27. EU Rules	20
28. What is Public Procurement Legislation?	21
29. Procedures to Follow	21
30. Goods	22
31. EU Regulation for Selecting Tenders and Award Procedures	22
32. Technical Specifications and Standards	23
ASSESSING TENDERS	23
33. Assessment Methods	23
34. Keeping Records	23
35. What if a supplier complains?	24
36. Environmental, Social and Ethical Policy Statement.	24
37. Local Economy	24
PURCHASING CARD TRANSACTIONS	24
38. Purchasing Card Information	24
SOURCING OF GOODS	25
39. Definition of Sourcing	25
40. Higher Education Purchasing Consortium Wales (HEPCW) Contracts	25
41. Computer and Computer Relating Purchasing	25
42. Building Contracts	25
43. Nationally Negotiated Contracts – Value Wales	25
FACTORS RELEVANT TO PURCHASING DECISIONS	26
44. Status of Firms Involved	26
45. Equipment Offered	26
46. Operating Costs	26

47.	Product Support	26
48.	Replacement Arrangements	26
49.	Strategic and Structural	26
50.	Immediate Costs of Acquisition	27
51.	Delivery	27
52.	Sustainability	27
53.	Single Supplier Sourcing	27
54.	Quotation / Tender Evaluation	28
55.	General Regulations	28
ADVICE ON THE COMMERCIAL APPRAISAL OF TENDERS		29
56.	EC Tender	29
57.	Specification	29
58.	Responsibility for Specification	29
59.	Selection of Suppliers	29
60.	The Invitation to Tender Document	29
61.	Despatch of the Invitation to Tender	29
62.	Return of the Supplier Tender	30
63.	Tender Opening: The Panel	30
64.	Tender Opening: The Procedure	30
65.	Tender Appraisal: Technical	30
66.	Tender Appraisal: Commercial	30
67.	Selection of Supplier	30
68.	Re-Tendering	30
69.	Post Tender Negotiation	30
70.	Finalising the Contract	30
71.	The Contract	30
72.	Documentation Retention	31
73.	Assistance and Advice	31
PROCUREMENT DEPARTMENT POST-HOLDER AND CONTACT DETAILS		31
APPENDIX A – THE SEVEN PRINCIPLES OF PUBLIC LIFE		35
APPENDIX B – CODE OF CONDUCT REGARDING GIFTS / HOSPITALITY GIFTS, BENEFACTIONS AND DONATIONS		36
APPENDIX C – FULL SUSTAINABLE RISK ASSESSMENT		37

GENERAL PROVISIONS

1. Background

- 1.1. The University is a chartered corporation. Its structure of governance is laid down in the instruments of its incorporation (charter and statutes). The Charter and statutes can only be amended by the Privy Council. In addition further provisions are included within the University's Ordinances. The University is accountable through its University Council which has ultimate responsibility for the University's management and administration.
- 1.2. All University business transactions are subject to:
 - i) The University's Charter, Statutes and Ordinances;
 - ii) The Financial Memorandum between the University and the Higher Education Funding Council for Wales (HEFCW). The Financial Memorandum sets out the terms and conditions on which grant is made. The University Council is responsible for ensuring that conditions of grant are met. As part of this process the University must adhere to the funding body's Audit Code of Practice which requires it to have sound systems of financial and management control. The Financial Regulations of the University form part of this overall system of accountability;
 - iii) The Articles of Government (for University of Wales Trinity Saint David) related business transactions).

2. Status of Procurement Policy

- 2.1. This document sets out the University's Procurement Policy. The procedures detail precisely how the policy will be implemented.
- 2.2. This policy is subordinate to the University's Charter, Statutes and Ordinances (and Articles of Government for TUCC related activities) and to any restrictions contained within the University's Financial Memorandum with the Higher Education Funding Council for Wales (HEFCW) and the Funding Council's Accountability and Audit Code of Practice.
- 2.3. The University is committed to the pursuit of excellence and the adoption of best current practice in the purchasing function.
- 2.4. The University seeks to ensure that its operational activities are consistent with and supportive of the Mission Statement and its associated values and aims, and are consistent with the policy stances taken by the University on Equal Opportunities and Environmental issues. The University therefore wishes to ensure the process of purchasing goods is sensitive to environmental factors and it shows commitment to the regions, by wherever possible, procuring goods from local firms and that it facilitates equality of opportunity through contract compliance measures. These principals of purchasing will only be adopted however where value for money can be achieved.
- 2.5. Reporting to the Deputy Vice-Chancellor (Finance and Planning), the Director of Finance has been given overall responsibility for the University wide function. The University's Procurement Manager will be responsible to the Director of Finance for day to day control of the function.
- 2.6. Compliance with both the Financial Regulations and the procedures included in this document is mandatory.



PURCHASING

3. Purchasing Function

The Purchasing function is generally devolved, with authority to purchase granted to Budget Holders within the threshold framework stipulated in the Financial Regulations. The Procurement Manager is responsible directly to the Director of Finance. His or her primary purpose is to produce, advise and co-ordinate the operation of the University's Procurement Strategy, Policy and Procedures. This includes the following;

- Contract development. Commodity/service research; contract strategy; supplier appraisal and approval; supplier and contract management.
- Tender process. Production and issue of documentation; tender evaluation; contract award recommendations; European procurement directive application.
- Operational issues. Purchasing advice and guidance on the acquisition of goods/services; assistance with compiling specifications; quotations; sourcing of vendors; negotiations; maintenance of the purchasing manual and associated guide notes and the purchasing catalogue.
- Low-value purchasing. A purchasing card system for the procurement of low-value goods/services in operation.
- Purchasing Consortium. The University is a member of Higher Education Purchasing Consortium, Wales (HEPCW).

PURCHASING OBJECTIVES

4. General Objectives

4.1. To require all Budget Holders for all budget center's / grant holders, 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
- 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, and electricity)
- The cost of any required building or services alterations
- The likely sale or scrap value
- Consider whole-life costs of products.

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

4.3. To operate a Sustainable Procurement Policy, undertaking a Sustainable Risk Assessment (SRA) where necessary (see Appendix C).



- 4.4. To ensure that all designated purchasing personnel are suitably trained or qualified to allow them to carry out their function in a professional and effective manner.
- 4.5. To ensure that all designated purchasing personnel provide (where requested) the required reports to the Director of Finance to allow purchasing performance to be evaluated and consolidated reports to be presented to the Deputy Vice-Chancellor (Finance and Planning) and/or HEFCW when required.
- 4.6. To fully support and further develop co-operative relationships between the University and Higher Education Purchasing Consortium Wales (HEPCW) and any other Purchasing Consortium the University is a member of to increase mutual benefit.
- 4.7. To comply at all times with the European Community Procurement Directives and Regulations.
- 4.8. 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 (e.g. The Food Act).
- 4.9. Purchasing will be on the basis of 'just in time' to prevent unnecessarily large levels of stock being maintained.
- 4.10. To comply with the Welsh Assembly Government task of adopting the Sustainable Procurement Toolkit (SPT).

5. Environmental Objectives

In pursuit of the University's objectives relating to environmental protection and enhancement, we recognise the critical need to act as a role model, by carrying out purchasing activities in an environmentally responsible manner. With regard to best value and procurement law, we will therefore endeavor to:

- 5.1. Comply with all relevant environmental and procurement legislation.
- 5.2. Ensure that we will only buy goods and services that are truly necessary.
- 5.3. Encourage upgrade, reuse, repair and recycling of products.
- 5.4. Specify equipment which is water and energy efficient both in their manufacture and operation.
- 5.5. Avoid the use of hazardous chemicals where a less damaging alternative is appropriately available.
- 5.6. Encourage the purchase of goods containing recycled materials to support the market for recyclates.
- 5.7. Minimise the use of virgin non-renewable natural resources and support the use of sustainable sources.
- 5.8. Actively seek to buy timber from legal and sustainable sources.
- 5.9. Support the use of non-GM, seasonal and organic food.
- 5.10. Support high animal welfare standards.
- 5.11. Support Fair-trade and ethical purchasing.



- 5.12. Consider whole-life costs of products.

6. Achieving Environmental Objectives

To achieve our objectives we will:

- 6.1 Work with our suppliers to investigate and introduce environmentally friendly processes and products.
- 6.2 Ensure our suppliers are aware of, and understand our Corporate Environmental Policies.
- 6.3 Regularly review our procurement for categories of spend which pose significant environmental risks.
- 6.4 Specify, wherever possible and reasonably practicable, the use of environmentally friendly materials and products, particularly in contracts where significant environmental risks have been identified.
- 6.5 Ensure that consideration is given to inclusion, within all specifications, of a facility for potential suppliers to submit prices for alternatives which help us to implement this Sustainable Procurement Policy (shown in Appendix C).
- 6.6 Ensure that appropriate consideration is given to the costs and benefits of environmentally friendly alternatives.
- 6.7 Ensure that suppliers' environmental credentials are considered in the supplier appraisal process, particularly in contracts where significant environmental risks have been identified.
- 6.8 Ensure that where appropriate, environmental criteria are included in the award of contracts.
- 6.9 Monitor the performance of our environmental purchasing and seek continual improvement.
- 6.10 Provide appropriate training to Budget Holders and procurement staff to implement this Sustainable Procurement Policy (shown in Appendix C).

PURCHASING STRATEGY

7. Aim of Strategy

- 7.1 The Procurement Strategy provides a list of the function's targets in respect of all aspects of its service to the University. The overall aim of the strategy is to provide a cost effective procurement function which delivers value for money in all aspects of its operation to the total satisfaction of the customer.
- 7.2 Each approved budget holder will be required to perform their purchasing duties in accordance with the targets listed in the strategy to ensure that cohesive standards of service and performance are achieved.
- 7.3 The performance of the Procurement Manager and the University's purchasing against the targets of the strategy are part of the Annual Report required by the Director of Finance.

PURCHASING TARGETS

8. Purchasing Standards

These set the standard for the performance of the University staff and are composed of two elements:

- Purchasing Foundations
- Purchasing Practice

PURCHASING FOUNDATIONS

Component	Aim
Method of focusing purchasing resource	Pareto analysis concentrating resources on high spend areas.
Expenditure analysis available	By Supplier, item and commodity
Procurement Objective	Lowest total acquisition cost
Professional Standard	Specialist recourses CIPS or NVQ trained

PROCUREMENT PRACTICE

Component	Aim
Initiative to aggregate spend	Major spend through Consortia and expert purchasers
Specification	Full Specification as opposed to brand derivation
Supplier selection	Competitive tender, approved suppliers and supplies and vendor appraisal where appropriate
Supplier Assessment	Formal contract management where appropriate, defects, late deliveries and problems.



- 8.1. This document covers all aspects of the procurement cycle including:
- Specification
 - Sourcing
 - Enquiring and Tendering
 - Evaluation of Quotation and Tenders
 - Negotiation
 - Ordering and Award of Contract
 - The Management of the Purchase Order
 - General Instruction on Invoicing and Payment
- 8.2. The document must be used in conjunction with the University's Financial Procedures and Regulations.
- 8.3. A copy of the document can be obtained by contacting the University Procurement Manager. There is also a copy online.

RESPONSIBILITIES OF AUTHORISED PURCHASERS

9. Responsibilities

- 9.1. University Budget Holders must at all times comply with all aspects of the University's Procurement Policy, and Financial Procedures and Regulations.
- 9.2. The University Procurement Manager must be appropriately trained or qualified to carry out the function.
- 9.3. This will either entail a corporate or student membership of the Chartered Institute of Purchasing and Supply (student membership entailing the ongoing study for attainment of full membership, or attainment of other purchasing qualifications, such as NVQ Level 2, 3 or 4).

CODE OF ETHICS

10. Introduction

The ethical code is based on that adopted by the Chartered Institute of Purchasing and Supply (CIPS), a summary of which is set out below.

11. Precepts

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.

12. Guidance

12.1. In applying these precepts, 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 member of staff'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 continuous relationship with a supplier, any arrangement which might, in the long term, prevent the effective operation of fair competition, should be avoided.
 - **Business Gifts** – Please see Appendix B for guidance on what action should be taken. Business gifts, of very small intrinsic value such as business diaries and calendars, can be accepted. Items of a personal nature as for house or private use should 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 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.
- 12.2. When it is not easy to decide between what is and is not acceptable in terms of gifts and hospitality, the offer should be declined or advice sought from the staff member's superior or the Director of Financial Services or Principal.
- 12.3. See Appendix B for the full statement on receiving gifts and hospitality.

DUTIES AND RESPONSIBILITIES OF BUDGET HOLDERS

13. Basis of Accounting

131. Budget Holders have delegated powers to incur expenditure within the University's overall strategy (as they see fit, having due regard to efficiency, effectiveness and economy), but subject to the following procedures.
132. Approval Limits for Expenditure relating to:
- | Approval limits | on single items, projects or leases |
|--|--|
| Director of Finance | Up to £10,000 |
| Vice Chancellor / Deputy Vice-Chancellor
(Finance and Planning) | £10,001 to £100,000 |
| Resources Committee | Over £100,000 |
| Council | Over £500,000 |
133. It is the duty of all Budget Holders to ensure that all members of staff within their faculties / divisions are aware of all regulations, instructions and guidance issued that relates to them



and that they follow the aforementioned regulations, instructions and guidance accordingly. Budget Holders must also notify the Deputy Vice-Chancellor or Director of Finance immediately of any financial irregularity or suspected irregularity which comes to their notice.

PURCHASING AND ORDERING PROCEDURE

The Purchasing Procedure is to be as per the following table:

Category	Value	Purchasing Procedure and Authorisation
1	Below £2,000	No quotes necessary Authorisation Head of Department or delegated budget holder
2	£2,001 - £5,000	Minimum of three quotes, verbal and/or written, quotation record must be completed Authorisation Head of Department or delegated budget holder
3	£5,001 - £25,000	Minimum of three written quotes. Quotation record to be completed with the reason for the choice of supplier document. Authorisation Vice-Chancellor / Deputy Vice-Chancellor (Finance and Planning)
4	£25,001 - £100,000	Purchase in excess of £25,000 must comply with the University's formal competitive tendering procedures. Authorisation Vice-Chancellor / Deputy Vice-Chancellor (Finance and Planning)
5	Over £100,000	Purchase in excess of £25,000 must comply with the University's formal competitive tendering procedures. Authorisation Vice-Chancellor / Deputy Vice-Chancellor (Finance and Planning) Resources Committee
6	Over £500,000	Purchase in excess of £25,000 must comply with the University's formal competitive tendering procedures. Authorisation Vice-Chancellor / Deputy Vice-Chancellor (Finance and Planning) Council

PLEASE NOTE, THE VALUES QUOTED ARE ALL NET OF VAT



It must be noted that all purchases for goods or services estimated to cost more than £164,176 and for works £4,104,394 are subject to EEC directives and tenders must be advertised throughout the European Community.

Please see – European Procurement Directives - A Brief Guide for further information.

Collaborative procurement agreements established by the University, HEFCW, Value Wales, OGC, and Crescent Purchasing Consortium have already been tendered through an auditable procurement process.

Therefore the requirement for quotes / tenders etc is not necessary.

14. Exceptions to Ordering Procedure

14.1. The following types of supply are continuous supply and therefore do not require an Official Order:-

- Rents, rates, gas, electricity, water, coal and telephone rental.
- Invoices arising as a result of a request for veterinary services.
- Invoices arising as a result of emergency maintenance to the fabric of the University's property e.g. to secure the property from theft, weather or further damage, or to render safe equipment or buildings which would otherwise be a source of significant danger/risk.
- Renewals of corporate (i.e. not personal) subscriptions to professional bodies. New subscriptions will require an official order.
- Petty cash and University fuel card transactions.
- Invoices arising from emergency repairs to vehicles transporting University staff/students.
- BTEC Registration Fees, examination and franchise arrangements.
- Recruitment and medical expenses relating to recruitment.
- Invoices arising from existing contracts, i.e. existing photocopying machines, current software and hardware maintenance charges, existing car and van leases, contract cleaning and refuse collection. New contracts will require an Official Order.
- Insurance.
- Travelling expenses – Governors.
- Internal hospitality from the University refectories.
- University purchasing card transactions.
- Legal fees.

14.2. To facilitate ease of operation the following may be ordered via blanket orders providing that there is a specified time period written on the order.

- Taxis for students.
- Childcare fees for Training Services.
- Refectory provision.
- Security of Campuses.



Please note

- 14.3. Blanket orders are only to be used with the prior agreement of the Director of Finance. All blanket orders should show a full description of goods / services and associated timescales.
- 14.4. When raising blanket orders, the Financial Regulations must still be adhered to.
- 14.5. Accurate records must be kept to ensure that additional blanket orders are raised when funds available on the existing blanket order are insufficient to cover requirements. Any invoices received which exceed the blanket order will be treated as confirmation.

SUSTAINABLE PROCUREMENT

15. Sustainable Procurement

- 15.1. Budget Holders have a responsibility to procure goods and services sustainably. In order to do this, the University will use a Sustainable Risk Assessment to ensure the Environmental, Social and Economic (sustainability) issues are assessed, understood and managed in its key procurement of goods and services. The assessment firstly involves the identification of key impacts on the environment, society and the economy. The results of this assessment then assist in the completion of a series of questions that pick up the main sustainability issues in any procurement activity. The answers to these questions are linked to a series of minimum requirements that should be applied in the procurement processes to reduce adverse impact/improve sustainability within the contract and contribute to the sustainability objectives of the University.

The Business / Educational needs to be established:

- Is there an opportunity not to buy this at all? Could something be re-used, or would it be possible to go without?
- Can you re-think the need? For example, change to a service provided by an external organisation rather than providing the service in-house.
- Have there been any technical advances / innovations that would offer you a better outcome? For example, a multi-functional product that can scan, copy and print rather than three separate machines.

16. Key impacts during the life of products

The main sustainability impacts of a generic product have been identified below, but this is not an exhaustive list.

- What are the key raw materials?
 - What are the key issues in manufacture?
 - What are the key issues for you to manage use?
 - What are the key issues for you at the end of life / disposal?
- 16.1. Appendix C gives an indication of the full sustainable risk assessment (SA) that needs to be completed for certain purchases. Please see the Procurement Manager for Assistance.

17. Whole Life Costing

- 17.1. The following guidelines should be used in assessing requirements. These form part of a process entitled “cradle to grave” costing.
 - Delivery and Installation cost.
 - Set-up costs.
 - Maintenance costs.
 - Spare / Replacement part cost.
 - Eventual disposal and replacement cost.



- Running / energy costs.
 - Training costs.
 - Refurbishment costs (associated with any building work).
 - Labour costs (i.e. variations in costs of labour between systems or operating the equipment).
- 172.** Any evaluation possible of the difference in cost and capability of adding to, at a later date, each system or piece of equipment / software being evaluated.
- 173.** Any check possible to ensure that a selected supplier has the capability to both supply and effectively maintain the system. A financial check by the Finance Division together with an exercise to obtain references from nominated users is advised.
- 174.** A thorough breakdown of the stated cost of the equipment / service from each tenderer.
- 175.** A thorough appraisal of the environmental impact of the equipment and/or services being offered by each tenderer. This appraisal could take into account; source of material construction, energy usage, harmful emission, working practices, materials used in maintenance / operation, etc.
- 176.** The Terms and Conditions of Contract offered by each bidder ensuring areas such as warranty, equipment performance or service level guarantees, payment terms, spares availability and delivery insurance are covered.
- 177.** The examples given above cover the majority of aspects involved in making the purchasing decision and plainly the decision to place business with any bidder would be based upon which offer represents best value for money, taking into account all factors.



**Submitted to Finance Department
(date stamped on receipt)**

X

**Orders reviewed by Management Accountant for Coding,
Budget availability and reasonableness.**

Requisition order processed by Finance.

Official order raised by Finance System

Order dispatched by Finance to Supplier.

**Orders are emailed, faxed if possible or mailed second
class the next day**

**Normally, the process from X to Y will take no longer
than 3 working days.**

Y

SMALL VALUE PURCHASES AND PURCHASE SPECIFICATION

18. Petty Cash Procedures

- 18.1. For each petty cash request, a petty cash voucher needs to be completed to include: to whom the advance has been given, the purpose of the expenditure and why petty cash is required (this needs a full description, i.e. Petrol for minibus for educational visit to National Assembly in Cardiff, University minibus not available). A valid expenditure code also needs to be added. The budget holder needs to sign the petty cash vouchers.

- 18.2. Where possible, petty cash should be obtained in advance of the transaction, but it may be reasonable to reimburse retrospectively – providing those funds are available. In certain cases, individuals may have to be reimbursed by manual cheque.



- 18.3. A receipt is required for all advances made, which should be attached to the petty cash voucher. Every effort should be made to obtain a proper VAT receipt.

19. Specifications

191. Performance specifications are preferable to those which state the brand of, or restrict to, a particular supplier. Help and guidance on the development of an appropriate specification can be obtained from the Procurement Manager. Brands and Patents should only be specified exceptionally, when it is not feasible to specify the requirement in technical or performance terms. Reference to the brand should be accompanied by the words "or equivalent".
192. In ALL instances, the Estates department must be informed of the intention to purchase electrical equipment and the Information Systems department must be informed of the intention to purchase IT related hardware and software.

QUOTATION PROCEDURE - GENERAL

20. General Quotation Procedure

- 20.1. Goods or Services required should be identified by the budget holder and an estimated value applied.
- 20.2. During this identification stage, it should be noted that the estimated value of goods or services should apply to the accumulated value of similar goods and services required over a financial year, not just for one-off purchases,
- 20.3. The estimate will be used to identify the procedures to be followed (i.e. quotation or tender).
- 20.4. If the estimated value is likely to be over £5,000 but less than £25,000, the budget holder is to consult with the Procurement Manager in the first instance. Together, the budget holder and Procurement Manager will draw up a specification. Should Budget Holders not use the services of the Procurement Manager, then they must provide copies of at least three quotes they have obtained to the Procurement Manager.
- 20.5. The Procurement Manager will incorporate the specification into an Invitation to Quote (ITQ), specific to the requirements and a Quotation Exercise Reference will be allocated.
- 20.6. Wherever possible, suppliers will be identified from those registered with HEPCW, Sell2Wales, Crescent Purchasing Consortium and Crown Commercial in the first instance.
- 20.7. If no suitable suppliers or a limited number of suppliers can be found using the above, other suppliers will be considered.
- 20.8. To each of the selected suppliers (minimum of 4), the Procurement Manager will send the ITQ with a closing date to return documents. If four suppliers cannot be found, documented evidence will be required to show that every attempt was made to find alternative suppliers.
- 20.9. All ITQs are to be returned to the Procurement Manager and held in the Purchasing Office until the closing date.
- 20.10. When receiving quotations, a day's grace for delays in the post, etc, may be allowed. In exceptional circumstances where it is necessary for late quotations to be accepted, the reason for acceptance must be clearly recorded.
- 20.11. If less than three quotations have been received, the Procurement Manager and the relevant budget holder may proceed with the analysis on the remaining quotes provided s/he is satisfied that best value is still attainable; if this is not possible and provided there is sufficient time then the quote should be reissued to additional suppliers.



- 20.12. After the closing date, the Procurement Manager will, in consultation with the appropriate budget holder, produce a recommendation as to which company should be awarded the contract. The relative cost, quality of goods / service and knowledge of the supplier must be considered when compiling the recommendations.
- 20.13. An official order for the goods / services tendered is to be placed by the budget holder, quoting the Quotation Reference Number.
- 20.14. The Procurement Manager shall retain all quotation documentation for a period of six years.

TENDERING PROCEDURE – GENERAL

21. General Tendering Procedure

- 21.1. Goods or Services required should be identified by the budget holder and an estimated value applied.
- 21.2. If the estimated value is likely to be over £25,001 the budget holder is to consult with the Procurement Manager in the first instance. The budget holder and the Purchasing Manager will jointly draw up a specification.
- 21.3. The Procurement Manager will incorporate this into an Invitation to Tender (ITT), and a contract number will be allocated.
- 21.4. Wherever possible, suppliers will be identified from HEPCW, Sell 2 Wales, Crescent Purchasing Consortium and Crown Commercial in the first instance.
- 21.5. If no suitable suppliers, or only a limited number of suppliers (minimum of four), can be found with the above suppliers other routes may be considered.
- 21.6. Where OGC rates have been requested, confirmation will be obtained from OGC to provide assurance that the rates submitted are in accordance with negotiated rates. The Procurement Manager will keep evidence of this on file.
- 21.7. To each of the suppliers (minimum of four), the Procurement Manager will send the ITT. If four suppliers cannot be found, documented evidence will be required to show that every attempt was made to find four suppliers. If this is the case then approval from SMT must be obtained before the tender is sent out.
- 21.8. All ITTs are to be returned to the Procurement Manager and held in the Purchasing Office.
- 21.9. The tenders will not be opened before the date and time specified in the tender document.
- 21.10. In exceptional circumstances where it is necessary for a late tender to be accepted, the reason for acceptance must be clearly recorded. Faxed tenders will not be accepted. The Procurement Manager will return faxed or late tenders to the supplier with a covering letter explaining why the offer has not been considered.
- 21.11. If less than three tenders have been received, the Procurement Manager and the budget holder may proceed with the analysis on the remaining tenders provided s/he is satisfied that best value is still attainable. If this is not possible and provided there is sufficient time then the tenders should be reissued.

22. Opening Tenders

- 22.1. Tenders between £25,001 and £100,000 will be opened in the presence of the Procurement Manager, and the Deputy Vice-Chancellor (Finance and Planning) or his/her nominee.



- 22.2. Tenders between £100,000 and £500,000 will be opened in the presence of the Procurement Manager, and the Pro Vice-Chancellor (Finance and Planning) or his/her nominee, plus a member of the Senior Management Team / Resources Committee.
- 22.3. Tenders over £500,000 will be opened in the presence of the Procurement Manager, and the Deputy Vice-Chancellor (Finance and Planning) or his/her nominee, plus one member from the Senior Management Team, and University Council/Recourses Committee.
- 22.4. The Tender Documents shall be recorded on the Tender Record Form and logged in the Tender Register.
- 22.5. The Procurement Manager will, in consultation with the appropriate budget holder, produce a recommendation as to which company should be awarded the contract. The relative cost, quality and knowledge of the tenderer must be considered when compiling the recommendations.
- 22.6. For tenders up to £100,000, a report on the recommended bid is to be submitted to SMT for final approval. In instances when there is no SMT and the order is deemed urgent, two members of the SMT can give approval.
- 22.7. For tenders over £100,000, a report on the recommended bid is to be submitted to the University Resources Committee for final approval.
- 22.8. The outcome of the decision as to who is to be awarded the contract must be logged on Tender Register.
- 22.9. The Procurement Manager will produce the awarding letter and letters notifying those companies which were unsuccessful.
- 22.10. An official order for the goods/service tendered is to be placed by the budget holder quoting the contract number.
- 22.11. The Procurement Manager shall retain all tender documentation for a period of six years.

23. Post Tender / Quotation Clarification

- 23.1. The budget holder may need to communicate with tenderers in order to obtain information on technical and contractual matters. All communications must be confidential and recorded in writing. If a supplier raises an issue that may be of relevance to all bidders then the Procurement / Estates Manager should notify all bidders, without disclosing the name of the bidder who initiated the query. On no account should the price submitted by one tenderer be divulged to another tenderer. In certain circumstances negotiations may take place after the receipt of the formal tenders and before letting of a contract to aid clarification.
- 23.2. Therefore post tender negotiations may only be undertaken in one of the following circumstances:-
- Changes have been made to the specification,
 - Changes in the volume of works or services required have been made,
 - A single tender or quotation has been received,
 - Tendered price exceeds pre-determined targets,
 - Where the possibility of post tender negotiation has been notified to tenderers at the time of the Invitation to Tender.
- 23.3. A full and proper record of all post tender negotiations must be kept including names of all members of staff involved, minutes of all meetings and copies of all letters and documents produced, in order to ensure an effective audit trail.



- 23A.** The principles of post tender negotiation (PTN) are also applicable to post quotation negotiation (PQN).

24. Procurement for ESF / ERDF/ EAGGF Funded Projects

- 24.1.** The European Community rules on procurement apply to contacts that are financed or part-financed by Structural Funds Grant.

- 24.2.** The following action is required:

Estimated Value	Action Required
Below £250/€400	No quote required
£251/€401 up to £500/€800	Single oral quote
£501/€801 up to £2,500/€4,000	Minimum of three oral quotes
£2,501/€4,001 up to £15,000/€24,000	Minimum of three written quotes, based on a clear written specification of requirement
£15,001/€24,001 up to £50,000/€80,000	Normally minimum of three formal competitive tenders invited
£50,001/€80,001 and over	Normally four to six formal competitive tenders invited

Please note, the values include VAT.

The decision must demonstrate best value and records must be kept supporting the decision made.

25. ERDF Funding

- 25.1.** Projects must comply with EU Environmental Legislation. Please contact the Project Funding Manager for further information

26. EU Legislation

- 26.1.** Under EU Legislation, Post Tender negotiation (PTN) on any factor that may affect the price of the contract is only permissible if the tender exercise has been carried out under the “negotiated” procedure. The number of bidders to be selected for further negotiation is to be included in the Invitation to Tender (ITT).

EUROPEAN PROCUREMENT DIRECTIVES – A BRIEF GUIDE

27. EU Rules

- 27.1.** The public sector in the EU is covered by a number of Public Procurement Directives. They bring legislative requirements into force in the UK, as well as other parts of the EU, which have been agreed as part of the Single Market programme.
- 27.2.** They are designed to remove national barriers to the supply within Europe of goods, works and services to the public sector and to help ensure those bodies embrace the best procurement practices to achieve the lowest cost of purchase from the best source of supply across the European Community.
- 27.3.** The legislation is intended to encourage competition by laying down detailed advertising and tendering procedures for purchasers. The use of specifications and standards is also regulated.
- 27.4.** Value for money is best served by a common sense approach to the legislation. This must be tempered with the need to protect the organisation from the severe financial penalties of non-compliance, without creating bureaucracy. The most appropriate policy should be to implement the rules and obtain the benefits, but with the minimum cost and disruption to the operations.



28. What is Public Procurement Legislation?

- 28.1. Public procurement legislation now sets out procedures and practices which are to be followed by central and local government, other public bodies and the Utilities operating in the water, energy, transport and telecommunications sectors.
- 28.2. Three Directives for supply contracts, works contracts and services contracts affect the public sector.
- 28.3. The table below gives a brief guide:

Legislation	Areas of Coverage	Threshold*
Public Supplies	Goods include products and crops. An example might be computer hardware which would be a supply and might include siting and installation.	£164,176
Public Works	Items listed in Annex II of the Directive (limited to building and civil engineering). An example might be excavation work where the objective is principally works.	£4,104,394
Public Services	All other contracts (with some exclusion such as land and contracts of employment, which is specifically exempt from the legislation).	£164,176

Effective as of 1st January 2016. Thresholds are net of VAT

29. Procedures to Follow

Ordinarily take value of the duration of the contract.

For regular (repetitive) supplies or services take value over 12 months.

For rental contracts of less than 12 months take value of duration.

For contracts without a fixed term or longer than 48 months take monthly value x 48.

- 291. Where there are a number of regular contracts or contracts with similar characteristics, which are to be renewed within a given period, then the aggregate value of these is to be used to decide whether the threshold of 200,000 ECUs is applicable.
- 292. If a contract is likely to be above the threshold, it can only be exempted from the provisions of the Directive on grounds of Secrecy or National Security, or because it is subject to another international procedure.



- 29.3. If it is apparent that the contract will exceed this level, then the tender must be open for competition on a European basis. This is achieved by following procedures laid down by the directives. Please contact the Procurement Manager.

30. Goods

- 30.1. First, an advertisement is placed in the Official Journal of the European Communities (OJEC). There is a prescribed minimum period for candidates or tenderers to return offers.
- 30.2. There are three main procedures to follow:
- i) **Open.** Those procedures where all suppliers interested in the Contract can submit tenders. 52 days must be allowed from the placing of the advertisement to the receipt of tenders
 - ii) **Restricted.** Only those who have been invited may submit tenders. A period of 37 days for receipt of requests to participate and 40 days for receipt of tenders must be allowed.
 - iii) **Negotiated.** Where authorities may negotiate the terms of a contract with one or more suppliers of their choice. This can only be used in special circumstances where the use of a negotiated contract can be fully justified. A period of 37 days for the receipt of requests to participate must be allowed.
- 30.3. Use of the Negotiated Procedure is only available in very strict defined instances.
- 30.4. A fourth procedure is in place to take account of design contests. This enables the University to acquire mainly in the field of architecture, a plan or design selected by a jury after being put out to competition with or without the award of prizes.
- 30.5. Existing ways in which minimum timescales can be reduced subject to provision of adequate time.
- 30.6. Shorter timescales may be used where a Prior Information Notice (PIN) has been issued between 52 days and 12 months prior to the issue of the Contract Notice.
- 30.7. Accelerated procedures may be used for reasons of urgency, but must be justified in the Contract Notice.
- 30.8. Negotiated Procedure may omit Contract Notice in special circumstances (where competition is not feasible).
- 30.9. The rules allow certain contracts to be excluded, which include:
- Contract for areas of activity covered by Utilities Directives (such as Contracts let by organisations which supply gas and electricity); and,
 - Contracts classified as secret by a member state or contracts which are awarded as part of an international agreement.
- 30.10. Contracts are only covered if they exceed the financial thresholds. However valuation is not always straightforward. The legislation requires the aggregation of contracts having similar characteristics, which are awarded to meet recurrent needs over the same period. Consequently many more contracts will be covered than first appears to be the case. The legislation specifically forbids splitting up contracts or using special evaluation methods to keep the values beneath the thresholds.

31. EU Regulation for Selecting Tenderers and Award Procedures

- 31.1. It is a requirement of the legislation that enough tenderers are chosen to ensure adequate competition. The number of candidates from which the contracting authority is to make its selection of tenderers is not made explicit, although a range of bidders may be specified if desired, it must be no less than 4 and no more than 20.



312 The methods by which tenderers are selected must be objective and fair. The Directives give companies who are not selected the right to know the reasons for non-selection. These reasons must be carefully recorded by the organisation and information must be retained for a reasonable period. There is no time period laid down in the public sector legislation but in the Utilities Directive it is specified as four years. Companies may only be refused the opportunity to tender for the reason set out in the Directives.

32. Technical Specifications and Standards

321. The rules require purchasers to specify by reference to European specifications where they exist.

322 A European specification includes:

- A national standard incorporating a European Standard.
- Performance or functional requirements.
- National technical specifications for items subject to the Construction Products Directive.

323 Where there are very clear reasons, an exemption from these rules may be used, although this must be justified in each case and formal records maintained. Exemptions may only be for reasons of incompatibility or because of technological advance since the standard was created.

324 Where there is not a European specification then one of the following standards in descending order is to be used:

- A British standard incorporating an International standard.
- A British standard
- Any other standard

325 There are also important limitations on specifications. Trade names and patents must not generally be used and care needs to be taken to avoid specifying in a discriminatory way (leading to the possibility of unequal treatment of suppliers).

ASSESSING TENDERS

33. Assessment Methods

33.1. There are two methods of assessing offers:

- Lowest Price
- Most Economically Advantageous bid

33.2. Where the second type is made use of then the organisation must be prepared to:

- Lay down the criteria intended to use
- Publish these criteria in the Contract Notice or when the Contract documents are issued and where possible, the criteria should be detailed in descending order of importance.

33.3. If it is decided that a tender be accepted on criteria other than the lowest value, then a Deviation Bid Memorandum must be raised giving the reason for the acceptance of the bid. This must contain a detailed reason agreed by all people opening the tenders, and signed by them. This will remain with the tender evaluation documentation.

34. Keeping Records

34.1. Records must be kept at each stage of the procurement process in case of challenge in the courts or for reporting to the European Commission. These records must detail all decisions made by the organisation in individual contract awards and should be kept for a reasonable period. The records will be kept by the Procurement Manager.



35. What if a supplier complains?

- 35.1. Suppliers have a number of remedies available to them if the organisation is in breach of the rules. They include:
- Suspension of the contract award procedure
 - Setting aside of unlawful decisions taken
 - Correction of documents to remove discriminatory clauses
 - Damages, including costs of tendering and, possibly, loss of profits.
- 35.2. An application must be made to the High Court but the supplier must do this promptly and must notify the purchaser of their intention.
- 35.3. Suppliers often also make complaints to the European Commission, which would investigate the complaint and might take action against the Member State (in this case the Treasury) in the European Court of Justice.

36. Environmental, Social and Ethical Policy Statement.

- 36.1. The University wishes to do business with suppliers who share the same core values in terms of sustainable development, social inclusion and equal opportunities, as well as key business values in their approach to fairness, honesty, efficiency and professionalism.
- 36.2. The University will endeavor to select suppliers who are conscious of their environmental responsibilities and strive to produce environmentally sound goods and services.
- 36.3. The whole life cost of purchases and the impact should be assessed for all purchases.
- 36.4. The energy usage and cost of operating equipment should be assessed prior to purchase.
- 36.5. Consider goods and services which can be manufactured, used and disposed of in an environmentally aware way.

37. Local Economy

- 37.1. The University is aware of its responsibility to the promotion of growth within the local economy. Therefore all things being equal the University prefers to use local suppliers whenever possible.
- 37.2. The University will also work with suppliers and organisations such as the WDA to help suppliers improve their ability to meet our requirements.
- 37.3. The University has also signed up to the 'Opening Doors' charter for SME friendly procurement.

PURCHASING CARD TRANSACTIONS

38. Purchasing Card Information

- 38.1. The Purchasing Card has been introduced as an alternative method of paying relatively low value transactions. It is widely accepted within the UK and abroad. Any establishment displaying the Visa / Mastercard symbol will accept the card.
- 38.2. The Purchasing Card offers the opportunity to improve both the focus and flexibility of purchasing procedures whilst reducing the volume of purchase orders, invoices and associated paperwork for small value sundry purchases, thus improving the cost effectiveness of processing these transactions.
- 38.3. The card will look like any normal credit card, embossed on the card is the University Name, Cardholders Name, Expiry Date and Card Number.



- 38.4. Each card holder has an individual limit for purchases and a monthly credit limit. These limits can be altered if required on a temporary basis by contacting the Card Administrator, who will contact Barclay Card to arrange for this to be authorized for a limited period of time.

SOURCING OF GOODS

39. Definition of Sourcing

- 39.1. Sourcing is the identification of appropriate suppliers and the comparison of their products to achieve value for money.
- 39.2. Suppliers should be selected from:
- University Approved Suppliers
 - HEPCW Contracts
 - Value Wales Contracts

40. Higher Education Purchasing Consortium Wales (HEPCW) Contracts

- 40.1. There are a number of purchasing contracts organised by the above consortia which must be adhered to by all authorised purchasers.
- 40.2. It is not permissible to be place orders with any suppliers other than those nominated. Details of the contracts and suppliers to be utilised are on the above links.
- 40.3. Notification of any suppliers offering better value for money than the nominated suppliers should be notified to the Procurement Manager prior to order placement from which official approval must be obtained before an order may be placed with a non-approved supplier.
- 40.4. The University requires that all nominated Budget Holders give complete backing to any contracts organised by the above.

41. Computer and Computer Relating Purchasing

- 41.1. It is not permissible for any purchaser to place any purchase orders with companies relating to IT equipment without approaching first the Executive Head of Information Technology and Systems.

42. Building Contracts

- 42.1. Building contracts of any value incorporating new build and restoration or alteration to existing buildings will only be processed through the Estates Department.

43. Nationally Negotiated Contracts – Value Wales

- 43.1. The University requires that all nominated Budget Holder/purchasing personnel adhere rigidly to any purchasing contracts negotiated and advised by the procurement department. Details of these contracts can be found in the Procurement Website.



FACTORS RELEVANT TO PURCHASING DECISIONS

44. Status of Firms Involved

- Financial Viability
- Design Capability
- Production Capability
- Quality Assurance status and track record
- Cost management arrangements and track record
- Delivery Record

45. Equipment Offered

- Extent to which it meets minimum requirement
- Design / artistic qualities (where appropriate)
- Compatibility with equipment already in use
- 'Extras' above minimum requirement which offer a cost effective advantage
- Scope for improvement or 'stretch' by later modifications or 'add ons'
- Conformity with standards (national, international, etc)
- Reliability – proven record
- Ease of maintenance
- Defect reporting and rectification arrangements
- Repair / servicing arrangements

46. Operating Costs

- Running costs
- Cost of spares – present and future
- Servicing and maintenance costs
- Storage and other support costs

47. Product Support

- Quality of after-sales facilities
- Ease of legal recourse to

48. Replacement Arrangements

- Receipts from eventual disposal
- Commitment to particular replacement equipment
- Replacement time frame

49. Strategic and Structural

- Safeguarding of vital sources of supply
- Length of the supply chain and its vulnerability to disruptions
- Offset considerations
- Effect of procurement on price, availability and competition for future supplies (eg arising from dumping or artificially depressed quotations) including, as appropriate, supplies for other public purchasers
- Effect on competitiveness of suppliers
- Encouragement of innovation offering improved value for money



50. Immediate Costs of Acquisition

- Initial price
- Firmness of price (eg fixed or without variation of price, cost plus)
- Basis for agreeing prices on associated or follow-on orders
- Difference in cost-escalation formula
- Foreign exchange risks and costs
- Payment terms (eg on delivery or progress/stage payments)
- Cost of financing interim payments
- Financial guarantee requirements
- Duties and taxes
- Credit terms
- Transport costs
- Installation costs
- Cost of working capital for stocks
- Discounting factors
- Differences in administrative costs (including overheads) to purchaser
- Warranties and technical guarantees offered
- Product liability arrangements
- Scope for, and cost of, accelerating or delaying procurement

51. Delivery

- Conformity with requirement
- Reliability of offer
- Operational and financial effects of earlier/later availability
- Costs and trade-offs with stockholding costs at various locations
- Limitation of damages

52. Sustainability

- Think about the requirement before purchase
- Do challenge the supply chain on environmental commitment
- Ask for supporting evidence and documentation
- Investigate their environmental supply chain
- Spend some time to investigate the product constituents
- Spend even more time calculating the running cost of the product
- Analyse the energy and water consumption
- Discuss method of delivery, packaging and packaging disposal / take-back
- Discuss end of life management – will the supplier take-back & recycle?
- If not consider your responsibility – disposal cost if not recyclable

53. Single Supplier Sourcing

53.1. Single sourcing occurs where there is only one supplier who is capable of supplying the goods or service. This situation should be avoided if possible. In some cases, the broadening of the specifications or the adoption of a new specification will result in more suppliers being able to satisfy the requirement. Where the use of a single supplier is inevitable, care should be taken to ensure the best value for money is being achieved by checking the supplier's price lists. Special negotiations should be conducted with the supplier using the University's Procurement Manager.



54. Quotation / Tender Evaluation

54.1. When evaluating, the following should be taken into account:

- Price.
- Quality.
- Delivery.
- All relevant costs relating to Installation, Operation. Service, Performance, Disposal.
- Compliance with Specification.
- Health and Safety.
- Adherence to Terms and Conditions supplied.

54.2. The quote for the lowest price is normally accepted. If the lowest price is not accepted then the justification should be set out in writing and all documents sent to the Procurement Department for approval.

55. General Regulations

55.1. The tendering procedure must be consistently applied and all staff involved with tendering must be able to verify that, during their involvement, the tendering procedure has been adhered to.

55.2. Any person involved in the tender process who has a personal interest in any tender must declare this at the start of their procedure. Failure to do so will result in disciplinary action.

55.3. During the tendering procedure, the details of any tender from a contractor or supplier are confidential and must not be disclosed to anyone outside the University.

55.4. At the end of the tendering procedure, a contract will be let. However, details of the successful tender must remain confidential to the University and the supplier unless the University senior management and supplier decide otherwise.

55.5. Under no circumstances should any member of staff take action to deviate from the stated tendering procedure without the express approval of the Assistant Principal Finance or an appointed Deputy. Any breach of the procedure must be reported to the Assistant Principal Finance and the staff concerned may be subject to disciplinary action.

55.6. For all tenders over £20,000, at least 6 suppliers must be included on the tender list. Exceptionally, where a lesser number of suppliers are in a position to supply the required goods or services, all such suppliers must be placed on the tender list.

55.7. The closing date for returned tenders must be strictly adhered to. All tenders received after the specified time must be returned to sender unless the tender envelope is postmarked prior to the closing date. Tenders received before the specified time must be held unopened in a secure place.

55.8. In exceptional circumstances where it is necessary for a late tender to be accepted, the reason for acceptance must be clearly recorded. Faxed tenders will not be accepted. The Procurement Manager will return faxed or late tenders (If not accepted) to the supplier with a covering letter explaining why the offer has not been considered.



ADVICE ON THE COMMERCIAL APPRAISAL OF TENDERS

56. EU Tender

- 56.1. All tenders for goods and services where the resultant contract is expected to be for a value of over **£173,934** must, by law, be tendered throughout the EU journal. Allowing at least six months for this process, contact must be made with the University Purchasing Manager who will be able to provide guidance and assistance through this process.

57. Specification

- 57.1. Many products which the University wishes to purchase should be straightforward in their description. It is, however, noted that the specification of a product which is complex will be difficult and time consuming. Description of a "service" will similarly not be easy. The guiding principle is the provision of an equitable specification covering expected quality and workmanship standards, service level standards and functionality which allows all tendering suppliers to start, as much as possible, on a "level playing field". Brand naming, where possible should be avoided.

58. Responsibility for Specification

- 58.1. Specification is an integral and important part of the tendering process and the ultimate responsibility for writing and signing off the specification lies solely with the budget holder responsible for the user department/section. Either the budget holder or an authorised and selected deputy should be regarded from this point as the "project leader", and will be responsible for compliance with all aspects of the tendering procedure.

59. Selection of Suppliers

- 59.1. Once the specification is written and approved, the next stage is the selection of prospective tenderers. It is possible to advertise the requirement locally, regionally or nationally although this may not be a viable proposition. A supplier questionnaire must then be compiled with a scoring mechanism agreed to ensure that the suppliers can meet the needs of the University requirements. This process must be used to select the best companies able to provide the service to the University. The only other method is by the selection of as many suppliers as is practicable who are known to be able to supply against the requirement.
- 59.2. Where only a very small number of suppliers are known, it is expected that an in-depth search will be conducted of the relevant market place to ensure that suppliers are not missed. Where there are a large number of suppliers it is permissible to select a reasonable number but the selection should be based on justifiable knowledge or criteria. A supplier should not be excluded if there is no knowledge of pricing, product or operation. Please note the general regulations relating to supplier selection in section 3.6.

60. The Invitation to Tender Document

- 60.1. Once the specification is written and the suppliers have been selected, the invitation to tender document must be prepared. This should include:
- The specification and any drawings.
 - Form of Tender.
 - The terms and conditions of the Tender (with expected terms of contract).
 - Any special instruction from the tenderer (i.e. date and time of tender returns, etc).
- 60.2. It is suggested that contact is made with the University Purchasing Manager for assistance at this stage.

61. Despatch of the Invitation to Tender

- 61.1. A tender envelope will be included with a letter of invitation to tender. The prospective tenderers must be informed that use of this envelope for any tender return is mandatory and also to return the tender by the advised time and date.



62. Return of the Supplier Tender

62.1. All tender envelopes are to be logged unopened on receipt and kept under lock and key. Any tenders which arrive in anything other than the official envelope or which arrive late are to be logged but to be discounted from tender evaluation. Please see general regulations relating to tender return on section 3.7.

63. Tender Opening: The Panel

63.1. Prior to the tender return date, a panel should be organised by the project leader to open tenders. This should include: - The Procurement Manager or his/her nominee, and the Deputy Vice-Chancellor (Finance and Planning) or his/her nominee.

64. Tender Opening: The Procedure

64.1. Upon opening, each tender shall be logged on the tender recording document together with the total of the bid. Each panel member shall place a signature on the tender recording document to officially certify the bids listed.

65. Tender Appraisal: Technical

65.1. It is suggested that responsibility for technical evaluation of tenders lies with the budget holder responsible for the user department and for making recommendations based on technical criteria only. Because knowledge of price can influence the objective of the technical evaluation, this must take place separately from the commercial evaluation. It may be necessary to set up, at this stage, supplier presentations to assist in the evaluation process.

66. Tender Appraisal: Commercial

66.1. The commercial appraisal should involve consideration of all points raised in section 4.1 of this document.

67. Selection of Supplier

67.1. The successful suppliers should be selected based upon a careful examination of all technical and commercial criteria. The supplier selected will obviously be the one that satisfied the greatest number of the important criteria.

68. Re-Tendering

68.1. It is perfectly permissible to re-tender a contract or prospective purchase if it is impossible to select a winning tenderer from the offers received. Only the leading suppliers should be selected for this process and each of those selected should be given equal treatment. There must be no advantage given to any supplier requested to re-tender although it is permissible to advise the supplier of the general reasons for the re-tender. It is also not permissible to re-tender if there is a clear winner, purely in the hope of driving down the price. All processes carried out in tendering must be followed in the case of re-tendering.

69. Post Tender Negotiation

69.1. Once the winning tender has been selected, it is permissible to enter into post tender negotiation with that supplier only. Post tender negotiation can cover all or any aspects of the prospective contract including price, delivery, and payment terms, terms and conditions of contract. It is suggested that the University Purchasing Manager is involved in these negotiations.

70. Finalising the Contract

70.1. Once post tender negotiations are complete, the terms and conditions must be scrutinised by the University Purchasing Manager. This may involve further negotiation with the supplier, as the Purchasing Manager will be looking to protect the University on the purchase and will ensure that terms and conditions provide this facility.

71. The Contract

71.1. Once terms and conditions are agreed, the contract is ready for signature. The only authorised signatory to a contract is the principal. They shall require the contract to be initialed by the University Purchasing Manager prior to applying their signature.

71.2. It is mandatory that the project leader write to unsuccessful tenderers advising them of the award of contract elsewhere and thanking them for their participation. It should be expected that these suppliers may request more information on the reason for their failure and the project leader must be prepared to offer some information without revealing the price or the name of the supplier to whom the contract has been awarded.

72. Documentation Retention

72.1. Copies of all completed tender opening forms are retained by the clerk to the governors, contracts are kept by the University Purchasing Manager, and it is important that either the budget holder or the University purchasing manager retains copies of all documentation relating to the tender for a period of up to seven years for audit purposes.

73. Assistance and Advice

73.1. The University Purchasing Manager may always be contacted for advice and assistance with any aspect of the tendering procedure.

PROCUREMENT DEPARTMENT POST-HOLDER AND CONTACT DETAILS

Post	Name	Telephone	E-mail
Procurement Manager	Heidi Davies	01554 748092 01267 676881	Heidi.davies@colegsirgar.ac.uk Heidi.davies@tsd.uwtsd.ac.uk
Procurement Assistant (Coleg Sir Gar)	David Davies	01554 748527	David.davies2@colegsirgar.ac.uk
Corporate Service Administration Assistant	Mickiela Chesters	01554 748017 01267 225195	Mickiela.chesters@colegsirgar.ac.uk Mickiela.chesters@uwtsd.ac.uk

Links to other policies / procedures

This policy should be considered in association with the University's Financial Regulations and procedure.

This policy is also linked to the UWTSD Procurement Strategy.



Resource Implications

Implication	Detail
Finance	<i>This policy requires revision to the spending limits outlined in the Financial Regulations. Therefore approval of this policy will require a revision to the Financial Regulations.</i>
Staff	<i>This policy should be delivered in line with the recommendations outlined in the Procurement Fitness Check. This does require an investment in additional resources and accounts for succession planning.</i>
Assets	<i>Application of the policy does not require an investment of any additional assets at this time.</i>
Partners	<i>The policy makes reference to partners / bodies that can procure goods and services collectively to achieve best value. The publication of this policy promotes transparency of University's procurement process and clearly outlines the process for businesses / partners to bid for goods and services supplied to the University.</i>
Timescales	<i>It is hoped that this policy can be approved prior to the end of the 2014/15 academic year and to take immediate effect. The policy will be reviewed in the summer of 2016 which will allow any revisions to be approved by Council prior to the end of the calendar year. The Procurement Manager will be responsible for periodically checking and testing the application of the policy.</i>
Leadership	<i>The Deputy Vice-Chancellor (Finance and Planning) holds the responsibility for Strategic Lead for this business area. The Director of Finance retains operational responsibility, and the Procurement Manager has day-to-day responsibility for the function of Procurement.</i>

Impact Assessment

Implication	Impact Considered (Yes/No)	Impact Identified
Legal	Y	<i>These are detailed in the body of the Policy.</i>
Contribution to the Strategic Plan	Y	<i>The Policy support a number of UWTSD strategic objectives including developing modern, fit for purpose campuses, developing and refining the concept of a Dual Sector University, fully engaging with the sustainable development agenda and ensuring that its governance framework is robust and fit for purpose.</i>
Risk Analysis	Y	<i>Lack of application of this Policy can result in inconsistencies of process which can lead to non-compliance with European and national procurement legislation. The publication of this Policy was a recommendation by the Procurement Fitness Check.</i>
Equality	Y	<i>Application of the Policy promotes equality of process.</i>
Welsh Language	Y	<i>Once approved the Policy will be translated and published on the UWTSD website.</i>
Environmental and Sustainability	Y	<i>The Policy includes a statement on its commitment to sustainability.</i>
Communication/ Media / Marketing	Y	<i>Once approved the existence of the Policy will be communicated to staff via the Staff Bulletin. Information and advice will also be made available under the Corporate Services Procurement Section of MyDay.</i>



Policy author(s):

Heidi Davies – Procurement Manager

Document version control

Version No:	Reason for change:	Author:	Date of change:
1.0	Draft Established for consideration by SMT	HD	
1.1	Change of title from Pro-Vice Chancellor to Deputy Vice-Chancellor (Finance and Planning)	CG	
1.2	Feedback from Council Strategy Committee	CG / HD	26.06.15
2.0	Removal of “draft” reference after policy approved at Council on 09.07.15.	CG	10.07.15
2.1	Change of Threshold amount and added contact details	MC	12.04.16

Current status of Policy: Approved

Policy applicable to: HE

Date ratified: 29.04.16

Date effective from: 29.04.16

Policy review date: 29.04.17

APPENDIX A – THE SEVEN PRINCIPLES OF PUBLIC LIFE

Source: The Report of the Committee for Standard in Public Life (The Nolan Report)

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.



APPENDIX B – CODE OF CONDUCT REGARDING GIFTS / HOSPITALITY

GIFTS, BENEFACTIONS AND DONATIONS

The Deputy Vice-Chancellor (Finance and Planning) is responsible for maintaining financial records in respect of funds held on trust by the University and initiating claims for recovery of tax where appropriate.

Gifts other than items of low intrinsic value such as diaries, calendars, etc, should not be accepted from Contractors / Suppliers. Staff should avoid a position where they might appear to be influenced in making a business decision. If a situation arises where an employee is uncertain whether it would be appropriate to accept an offer of a gift or hospitality, advice should be sought immediately from the Deputy Vice-Chancellor (Finance and Planning).

Modest hospitality is an accepted courtesy of a business relationship. The frequency and scale of hospitality should not be significantly greater than the University would be likely to provide in return.

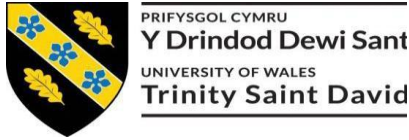
A register of gifts and hospitality is maintained by the Deputy Vice-Chancellor (Finance and Planning).

Staff responsible for the purchase of supplies or equipment should take particular care to ensure that there can be no criticism that unequal treatment has been given to suppliers involved in a tender process.

Gifts are items of value other than a cash or monetary payment. When the gifts are offered to staff in return for their contribution as part of their duties to particular events, such as prize-giving or speaking engagements, they may be accepted provided that the value of gifts does not exceed £40. Where a more valuable gift is offered, it should be accepted on behalf of the University, but reported to the Deputy Vice-Chancellor (Planning and Finance) and recorded in the register.

Cash should never be accepted unless part of a contractual arrangement approved by the line manager and/or Deputy Vice-Chancellor (Planning and Finance).

APPENDIX C – FULL SUSTAINABLE RISK ASSESSMENT



SUSTAINABLE RISK ASSESSMENT

Product / Service Required: _____

Estimated Cost of Purchase: _____

ISSUE	YES / NO
Is the Product/service really needed?	
Is there an Eco-label, product, or a supplier declaration associated with the product E.g. FSC timber, Energy Star, Fair Trade, Organic Food.	
Will the product require on-going maintenance or use large amounts of consumables.	
Are there key Sustainability impacts in the manufacturing of the product. For example, CO2 Emissions, child /forced labour etc.	
Will there be a cost for installation and training.	
Is there potential for supplier's employees to be exploited.	
Does the product contain non-renewable material i.e. Material the does not regenerate in 50 years E.g. Rock, hardwood, chemicals, oil etc.	
Are there Health & Safety issues associated with the product/service	
Are there specific issues associated with the product/services surrounding Equality & Diversity.	
Could this product be supplied by SME's/supported enterprises/Local Suppliers	



Is there an opportunity to use the service/product to support economic regeneration	
Could there be the potential for job losses by awarding this contract E/g/ Loss of business for existing supplier	
Could there be a PR risk/pressure group interested in this product/service	
Is there any existing or forthcoming sustainability related legislation that may effect this product/service E.g. Race/age discrimination, working time directive, WEEE	
For all contracts ask supplier if they can offer a more sustainable solution to that which has been specified. Ensure they explain fully why it's more sustainable.	
Any other issues identified	

Budget Holders should review their requirements for spend within the quotation/tender limits, and work through the SRA with the Procurement Department.

The SRA is only a guide and is aimed at drawing out information that would normally not be thought of. Several issues and topics within this document are currently undertaken as standard within quotation/tender procedure.

Faculty / School Signatory: _____

Procurement Signatory: _____

Date Completed: _____