



PRIFYSGOL
BANGOR
UNIVERSITY

PROCUREMENT PROCEDURES

DECEMBER 2016

1.0 Introduction.

- 1.1 Bangor University buys a wide range of works, services, goods and utilities, with expenditure ranging from large construction and refurbishment projects to very small requirements such as office stationery.
 - 1.2 All procurement activity must be carried out in accordance with the University's Financial Regulations and these procurement and purchasing procedures. The University's Financial Regulations set out the minimum procedural requirements for purchasing utilities, works, goods and services and must be strictly adhered to. Failure to adhere to the Financial Regulations and these Procurement Procedures may lead to disciplinary action.
 - 1.3 Spending public monies carries responsibilities and duties, and all staff should be aware of their role in ensuring ethical behaviour.
 - 1.4 These procedures are supported by the Bangor University Procurement Manual which describes the procurement process in greater detail and advises on best practice.
 - 1.5 These procedures are in place to assist staff in fulfilling their responsibilities in spending University funds efficiently and in compliance with all relevant regulatory and statutory obligations and the University's Financial Regulations.
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2.0 Objectives

- 2.1 The University requires that all purchases are undertaken in the manner that achieves value for money on a whole life basis, and which generates benefits not only to the University, but also to society and the economy, whilst minimising damage to the environment. Specifically, this means:
 - that the goods, services or works are carefully and accurately specified in advance of procurement, to a standard which will ensure that they are of adequate quality and fit for their intended purpose.
 - Purchases must be made with due regard to a proper balance between the following factors:
 - Whole life costs. This includes initial purchase price, cost of use (e.g. maintenance, running costs and depreciation), and consequential costs (e.g. duration of warranty, staff training, disposal costs).
 - Quality in terms of technical merit, aesthetic and functional characteristics, qualification and experience of staff assigned to perform the contract or after-sales service, technical assistance, delivery timescales and payment/invoicing methods, particularly the ability to eInvoice.
 - Assessment of sustainability and ethical issues (e.g. Modern Slavery).

- 2.2 All purchases must also be made in line with:
- Statutory and legal requirements;
 - The University's Financial Regulations;
 - The Procurement Strategy;
 - This Procurement Procedure document; and
 - The [Welsh Procurement Policy Statement](#).
- 2.3 The University is also encouraged to adopt industry best procurement practice where appropriate, e.g. the Construction Procurement Strategy.
- 2.4 The University is required to provide an annual return to the Welsh Government reporting on compliance with the Welsh Procurement Policy Statement. The University is also subject to an annual Procurement Fitness Check, administered by the Welsh Government.
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3.0 Authority to purchase and availability of funding.

- 3.1 Responsibility for the expenditure of University funds is delegated to Departmental Heads of Central Services and College Deans (or the grant holder in the case of purchases made from research grant monies). Heads of Central Services and College Deans are permitted to delegate such responsibility to individuals within their Services or Colleges.
- 3.2 Staff with procurement responsibilities must ensure they follow the requirements of the University's Financial Regulations and these Procurement Procedures.
- 3.3 Where members of staff have been given a level of delegated authority to undertake a procurement role, it is the joint responsibility of the individual and the Dean / Departmental Head to ensure an adequate level of training and competence exists. If any member of staff is unclear as to their delegated authority or any aspect of their procurement responsibilities, they should contact their manager or the Corporate Procurement Team immediately to seek clarification.
- 3.4 Purchases can only be made where funds are available and a valid budget code has been identified. If a valid budget does not exist, you cannot place an order or otherwise instruct a supplier to commence work or services.

4.0 Thresholds and Requirements

4.1 The table below lists the financial thresholds and provides a summary of the procurement processes to be followed for each:

Total Value ¹ (excluding VAT)	Procedure for inviting offers	
	Framework Contracts	Other Purchases
<£1,000	Follow Framework Agreement Guidance (e.g. the Buyer's Guide)	Obtain best available price.
£1,000 - £4,999		3 competitive quotations should be sought and evidence of the quotations recorded.
£5,000 - £24,999		3 quotations received in writing and attached to Agresso purchase order 'documents file' as evidence.
£25,000 +		Undertake formal tender procedure with Corporate Procurement Team input. The tender process to be followed is attached at Appendix A.
EU Thresholds (updated biennially) as at January 2016 >£164,176 (goods & services) >£4,104,394 (works)	The Corporate Procurement Team must be consulted/involved where frameworks are used for above EU threshold purchases.	Undertake formal tender procedure under the Public Contract Regulations 2015. The Corporate Procurement Team must be consulted/involved.

4.2 How to calculate Total Value¹.

Please note that total value does not equal order value.

- The total value of the purchase (whether that be project value or equipment value etc.) should be considered. For example, for equipment purchases, you should consider the value of the equipment plus any accessories, support, maintenance agreements etc., and not just the cost of the equipment.
- Your decision as to the competitive process to be applied should be based on your reasonable foreseeable expenditure (and technically that of the University as a whole) aggregated over 4 years. Hence, for example, if you are considering employing a consultant to undertake a feasibility study, you should work on the basis that the project will proceed and use the total cost of the project to

determine the total value. This prevents problems and difficulties being encountered at a later stage. This is also the case for recurring purchases, where there is no fixed term contract length.

- In terms of contracts, total value is the contract value or estimated contract value over the lifetime of the contract. The total value must include any possible contract extensions. For example, a 3 year contract with an annual value of £20,000 that includes a possible 2 year extension is valued at £100,000 (i.e. the full 5 year term).

5.0 Grants and Funding Bodies

- 5.1 The University receives grants and other funding from various Funding Agencies for research and other activities. These Funding Agencies sometimes stipulate that certain procurement and purchasing procedures must be administered and, on occasions, these may be different to those required by the University. If necessary, you should check the conditions of grant or the research contract to ensure that the University complies with the requirements and does not inadvertently breach the conditions of grant or contract by failing to observe and apply the requirements.
- 5.2 Irrespective of any provisions set out in the Funding Body's conditions of grant or contract, the University will still be required to comply with the Public Contract Regulations 2015, where the purchase is captured within the scope of the Regulations.

6.0 Selection of Suppliers

- 6.1 The University is a member of the North Western Universities Purchasing Consortium (NWUPC) and a member of the National Procurement Service for Wales (NPS). Arrangements entered into by these and other consortia must be used unless it can be clearly demonstrated that to do so would be to the University's detriment. Where an existing agreement is not used, the details must be recorded on the Single Tender Action Justification Form (STA). (Please see Section 15.0)
- 6.2 Details of framework agreements available from the NWUPC and the NPS can be seen on their respective websites:
- <http://www.nwupc.ac.uk/>
- <http://nps.gov.wales/categories/?lang=en>
- 6.3 Framework Agreement suppliers will already have been assessed for quality, competitiveness and financial stability.
- 6.4 The Corporate Procurement Unit hold a central [register of contracts](#), which can be found on the Procurement Intranet pages. These contracts should be used wherever applicable, e.g. where servicing arrangements are negotiated centrally, it is expected that departments will subscribe to these arrangements.

- 6.5 New suppliers must be approved by the Corporate Procurement Team prior to raising any orders. Placing orders with suppliers not already established within Agresso will be seen as a breach of the financial regulations. (Please see Section 12 for further information.)
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7.0 Use of Framework Agreements

- 7.1 A framework agreement is an agreement with one or more suppliers/providers which sets out terms and conditions under which individual contracts (call-offs) can be made throughout the term of the agreement.
- 7.2 Staff using framework agreements should always consult the 'Buyer's Guide' provided by the Contracting Body before making any call-offs to ensure that the correct supplier selection procedure is followed. Randomly selecting a supplier off a framework is not permitted.
- 7.3 Detailed [guidance relating to the use of framework agreements](#) can be found on the Procurement Intranet pages.
- 7.4 When placing orders against framework agreements, it is a mandatory requirement to include the following details on the order form:
- Contracting Body – e.g. NWUPC
 - Framework Reference Number
 - Bangor University Reference Number if applicable (e.g. if related to a mini-competition exercise).
- 7.5 Mini-competitions should be undertaken electronically via Sell2Wales or eTenderWales. Please contact the Corporate Procurement Team for advice.
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8.0 Requesting Quotations

- 8.1 If your requirement cannot be covered via a framework agreement or via the eMarketplace and the total value is less than £25k, you will need to undertake a competitive quotation exercise.
- 8.2 At least three quotations must be supplied in writing for purchases over £5k, although it is recommended that three quotations are also sought for purchases between £1,000 and £4,999. Potential suppliers should be provided with a short and simple functional specification or description together with quantities and delivery requirements.
- 8.3 End-users may wish to favour one supplier or solution but such an approach is likely to reduce the University's ability to achieve value for money and is likely to be illegal. Likewise allowing the market to dictate a solution before the need has been defined, raises the risk of discrimination against other suppliers. Brand names should not be

used in the majority of cases. In exceptional circumstances, it may be possible to specify a brand name but this must be accompanied by the words 'or equivalent'.

8.4 When assessing and evaluating quotations, you should seek to determine which quotation offers the best value for money taking into account qualitative aspects as well as price. In particular, you should consider:

- Ensuring that the product/service is not “over-engineered” to your requirements;
- Expected life cycle;
- Aftersales services and warranties;
- Cost of consumables;
- Environmental impact;
- Whole life costs (including operating costs and costs associated with disposal or residual value) over the period of use.

8.5 Quotations are generally accepted by issuing a Purchase Order.

8.6 In no circumstances should you make any sort of commitment unless and until a Purchase Order has been authorised/signed by an authorised person.

9.0 Invitation to Tender

9.1 If the total value of your purchase is likely to be over £25,000, you will need to undertake a formal tender exercise with assistance from the Corporate Procurement Team.

9.2 Tenders must be undertaken in line with Bangor University’s Tendering Procedure as outlined in Appendix A.

9.3 The Corporate Procurement Team will assist you with the administration of the tender process and will ensure compliance with the requirements of the Welsh Public Procurement Policy Statement.

9.4 Please note that tender processes governed by the Public Contract Regulations 2015 have specific minimum time scales associated with them. It is therefore essential that you plan any procurement that is subject to a competitive tender process and in particular those captured by the Regulations, and allow adequate time in your overall planning for the receipt of the requirement, products or services to accommodate the tendering process.

9.5 All tender processes will be conducted in line with the European Union’s general principles of:

- Equal treatment
- Non discrimination
- Transparency
- Proportionality

- 9.6 All tender processes should be undertaken via electronic tendering software unless a waiver is granted by the Director of Procurement or her nominee to run a paper tender exercise. The Corporate Procurement Team will be able to assist with using the relevant software. Should you decide to undertake a paper tender exercise, you will need to ensure that sealed bids are received centrally and opened in the presence of a Pro Vice Chancellor. Electronic tenders will automatically enter a 'post box' which cannot be opened until after the set closing date and time have passed.
- 9.7 Staff should ensure that a member of the Corporate Procurement Team has access to all projects undertaken within both Sell2Wales and eTenderWales for audit purposes.
- 9.8 Tenders should be awarded on the basis of the most economically advantageous offer (MEAT), i.e. on the basis of cost and quality. All evaluation criteria must be included within the tender documentation issued to tenderers. Evaluation criteria cannot be changed once set.
- 9.9 For contracts arising from tender processes, it is normal practice to agree to more detailed terms and conditions of contract over and above those detailed on a purchase order. For construction contracts, the Property and Campus Services Department may use standard forms of contract such as NEC3, JCT or another suitable form of contract as deemed appropriate.
- 9.10 You must contact the Corporate Procurement Team as soon as possible if you consider that the total value of your procurement will exceed the European Procurement threshold.
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10.0 Placing the Order

- 10.1 The University's standard order forms (Agresso / Planon /ALMA) must be used for all purchases from suppliers.
- 10.2 The following list indicates the information a supplier should expect before providing goods or services and the manner in which it should be presented on the official Bangor University purchase order.
- Supplier's correct name and address
 - Delivery address
 - Quantity or volume of goods required
 - Full and accurate description of goods required including model number, colour and all technical details such as power supply, electrical loading etc.
 - Reference to any framework or contract number. As mentioned above, if using a framework, it is a **mandatory** requirement to include the name of the Contracting Body (Consortium), the framework title and reference number.
 - Price and VAT, including any agreed discounts.

- 10.3 All purchase orders contain a hyperlink to the University's standard conditions of purchase. These should be used unless other terms have been agreed in writing. More specific University model conditions of contract may be appropriate for some purchases. Please contact the Corporate Procurement Team for advice.
 - 10.4 In exceptional circumstances, oral instructions may be given to a supplier. In all such cases, a confirmation order must be raised within twenty-four hours of the instruction being given. The order must be clearly marked as a confirmation order.
 - 10.5 To demonstrate compliance with the University's Financial Regulations, copies of quotations or a tender evaluation matrix must be included within the relevant Purchase Order 'Documents file' within Agresso.
 - 10.6 Purchase orders must be raised and approved by members of staff who have the necessary approval levels as set out in the Scheme of Delegation.
 - 10.7 Please note that no one member of University staff can complete all the steps of the Purchase to Pay process. There must be segregation of duties between the ordering and invoice approval functions.
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11.0 eMarketplace

- 11.1 The University has an eMarketplace in operation, which allows for many suppliers and products to be available to the University via a full eCatalogue. The University is keen to get as many routine products as possible purchased via the eMarketplace, as it results in greater efficiencies in terms of the ordering process and invoice processing.
 - 11.2 If a supplier exists within the eMarketplace, then an electronic purchase order must be raised. No other method of purchase will be acceptable.
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12.0 New Suppliers

- 12.1 If the supplier is not an approved supplier or is not set up or available for use within Agresso, you will need to request that a new supplier record is created. The New Supplier Form must be completed and forwarded to Procurement@bangor.ac.uk. The Corporate Procurement Team will undertake a number of checks prior to approving and sending on to the Accounts Payable Team for setting up within the Master Supplier File.
- 12.2 Under no circumstances should you make any sort of commitment unless and until a Purchase Order has been authorised/signed by an authorised person. Failure to abide by this requirement may lead to disciplinary action being taken.

13.0 Advance Payments, Staged Payments and Pro-Forma Invoices

- 13.1 Payment should only be made on satisfactory receipt of the goods or services as prepayments are strongly discouraged. Where they are unavoidable, it is important to ensure the right cover is in place to reduce any financial risk to the University and that authorisation is sought from the Director of Finance prior to any commitment being placed. If advance payment is unavoidable, the supplier should be required to produce a banker's guarantee (performance bond).
- 13.2 Please note that there may be costs levied by the supplier for Bank Guarantees and these costs will need to be factored in as part of the budget for supplying the goods or services.
- 13.3 It is possible for the University to proceed at risk without obtaining a bank guarantee, but if the supplier goes into administration or receivership, the advance payment will be lost and the School / Service Department will have to find the money to purchase the products or services again.
- 13.4 Please refer any requests for advance payments to the Director of Procurement in the first instance. Credit references will be obtained prior to passing to the Director of Finance for approval.

14.0 Purchasing Cards.

- 14.1 Purchasing cards may be used for low value purchases where the setting up of a new supplier on Agresso would be cost prohibitive.
- 14.2 Purchasing cards may not be used with suppliers who are capable of receiving orders via the University's eMarketplace. If a supplier exists on the eMarketplace, then a purchase order must be raised.
- 14.3 Further details on the use of purchasing cards can be seen [here](#).

15.0 Dispensation from the Financial Regulations and Procurement Procedures.

- 15.1 The Financial Regulations and this Procurement Procedures document must be followed in all instances unless a dispensation has been granted in accordance with Financial Regulations.
- 15.2 Any member of staff wishing to obtain a waiver from the Financial Regulations must complete the Single Tender Action Justification Form and forward to the Director of Procurement in the first instance.
- 15.3 A dispensation will only be granted when justified reasons are given and approval is granted either from the Director of Procurement (for purchases below £25k) or the Director of Finance (for purchases above £25k).

15.4 Non-exhaustive examples of when a dispensation might be appropriate include:

- Circumstance of extreme urgency that could not reasonably have been foreseen.
 - Absence of tenders.
 - For reasons of protection of exclusive rights or technical reasons.
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16.0 Audit

16.1 The University's procurement and finance procedures are subject to external and internal audit, and Auditors will expect Departments / Colleges to provide evidence of compliance with the University's Financial Regulations and this procedural document.

17.0 Integrity and Personal Conduct

17.1 Any individual authorised to procure goods or services on behalf of the University must ensure that he or she acts in an impartial manner and does not show favour to any supplier.

17.2 Although a close and co-operative relationship with a supplier is often mutually beneficial, a degree of impartiality and independence must be maintained. Any arrangement which might prevent fair competition or make it difficult to criticise poor performance must be avoided.

17.3 Staff should also make themselves familiar with the following University policies:

- [Policy for the acceptance of Corporate Hospitality;](#)
- [Anti-Bribery Policy;](#)
- [Policy on Conflict of Interest.](#)

17.4 These policies are particularly relevant when dealing with suppliers, in that members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. All University personnel should be aware of the guidance relating to accepting gifts and hospitality.

18.0 Contract Management

18.1 Good contract management will ensure that the expected outcomes, established at contract award, are achieved within time and budget and with all parties feeling fairly treated. The detailed practicalities of contract management including the expected outcomes, performance measurements, management processes, dispute resolution

etc. should have been set out in the criteria for award and agreed with the supplier prior to award of contract, thereby making the process of management easier.

- 18.2 Nominated Contract Managers are to implement core contract management processes, and assess the risks and/or opportunities that may require action in the future for every new contract. After that, monthly or even quarterly contract management reviews may be sufficient, with a focus on risk management and contractual compliance matters such as price increases and management information.
- 18.4 The aim, for longer term or repetitive contracts, should be continuous improvement. The Contract Manager should closely monitor performance in order to achieve this.
- 18.5 As the contract comes to an end, a period of piloting, testing and/or defects management may be required depending on the nature of the contract. In all such cases you must have identified the implications of, and planned for, the transition and next phase. This will include careful communication with those to be affected.
- 18.6 Suppliers may also be required to periodically provide evidence on their performance. A set of key performance indicators should be agreed with potential supplier/s prior to contract award.
- 18.7 It is good practice to prepare post-contract project reports. Contract managers should assess the business benefits (or losses) from carrying out the procurement, and how those benefits may be further enhanced and/or costs and risks reduced. The review should also gather the lessons that can be learnt from the management processes and procedures followed.

19.0 Sustainability

- 19.1 The University promotes sustainability as a key objective of its strategic plan. Value for money should be considered as the optimum combination of whole life costs in terms of not only generating efficiency savings and good quality outcomes for the organisation, but also benefit to society, the economy and the environment, both now and in the future.
- 19.2 Staff undertaking purchasing or procurement responsibilities must consider sustainability criteria, ethical purchasing practices and possible Modern Slavery issues as part of the procurement process.
- 19.3 Sustainability risk assessments must be completed for all tender exercises to ensure that specifications are made as sustainable as possible.
- 19.4 As per the Wales Procurement Policy Statement, use of the Community Benefits Measurement Tool should be incorporated into all applicable contracts with an estimated value of £1m+.

Appendix A – Bangor University Tendering Procedure

Competitive tendering is a formal bidding procedure for all large projects, intended to ensure that all of the costs of a proposed purchase are considered and the selection of suppliers is seen to be impartial.

A member of the Corporate Procurement Team must be consulted for all procurements over £25k. This is to ensure that key Welsh Government policy requirements are met. i.e. the Welsh Procurement Policy Statement (WPPS).

The stages of the tender process are as follows:

1	<p><i>Develop a timetable</i> to ensure there is adequate time to carry out the tendering exercise. To ensure an effective procurement exercise is undertaken, staff should allow a <u>minimum</u> of 3 months for OJEU exercises and a <u>minimum</u> of 6 weeks for sub-OJEU procurements.</p>
2	<p><i>Ensure that all resources and funding have been identified and agreed.</i></p> <p>Does a budget exist? Has the expenditure been approved?</p>
3	<p><i>Complete a Sustainability Risk Assessment.</i></p> <p>Completion of the SRA at the start of the procurement process for all contracts is a requirement of the WPPS. This tool will help to ensure that environmental, social and economic (sustainability) issues are assessed, understood and managed in all key procurement decisions that relate to the procurement of goods or services.</p> <p>This assessment will also consider whether Community Benefits clauses can be included within the contract.</p>
4	<p><i>Prepare a tender specification.</i></p> <p>It is important that this should be functional (or output based), i.e. describing the item in terms of its intended function and the required level of performance, rather than simply a generic description or brand name. A well-drafted specification will set the quality and performance standards for the resulting contract and will provide the greatest scope for maximising value for money.</p> <p>An output based specification will also allow for innovative proposals to be submitted by potential suppliers.</p>
5	<p><i>Prepare other procurement documentation including Supplier Selection Criteria and Award Criteria.</i></p> <p>The Supplier Qualification Information Database (SQuID) should be used wherever possible as the supplier selection tool to ensure compliance with the WPPS.</p>

	<p>Due regard must be given to Modern Slavery and Ethical Employment within Supply Chains.</p> <p>Contracts are to be awarded on the basis of most economically advantageous offer, i.e. quality and cost. Contracts should not be awarded on a lowest price basis, unless all other criteria are standard across bids.</p>
6	<p>Build Invitation to Tender into electronic tendering system.</p> <p>The University has adopted the eTenderWales software package provided by Welsh Government via BravoSolutions. All tenders must be undertaken electronically unless a particular competitive market requires an exercise to be undertaken on paper.</p> <p>Using electronic tendering systems makes the procurement process more secure, and provides a clear audit trail.</p> <p>Sell2Wales may be used as an alternative system for simple procurements.</p>
7	<p>Advertise on Sell2Wales. All tenders should be advertised on Sell2Wales to ensure that contract opportunities are open to all and that the University can demonstrate transparent procurement.</p>
8	<p>Returned Tenders. Should be evaluated in accordance with the award criteria published in the Invitation to Tender.</p>
9	<p>Award. The award should be clearly documented and contract documentation concluded. Unsuccessful suppliers should be provided with feedback on their submission. A contract award notice must be published on Sell2Wales.</p> <p>Where necessary, inform the Corporate Procurement Team so that the Central Contracts Register can be updated.</p>