

# University for the Creative Arts Procurement Guidelines

## 1. Introduction

- 1.1 UCA is committed to demonstrating a strategic approach to procurement under the Head of Procurement who provides guidance to staff responsible for devolved service budgets.
- 1.2 A set of Procurement Policies and Procedures documents has been designed following consultation with staff working within the University and with external Procurement agencies and other advisory bodies. It has Value for Money (VfM) for the University at its heart.
- 1.3 Value for Money (VfM) can be defined as obtaining the best outcome in terms of economy and quality and sustainability from the resource available to the University. A more detailed explanation can be found in the Document Store under **Procurement – VfM**.
- 1.4 All University staff and external bodies working on behalf of the institution have a responsibility for procuring goods and services in a way that demonstrates Value for Money has been achieved.
- 1.5 The purpose of these guidelines is to advise staff of the processes and procedures to be adopted for any kind of procurement, from the development of a new scheme or project to simply placing an order for routine works, goods or services. They are intended to supplement the information contained within UCA's Financial Regulations and Financial Procedures Manual.
- 1.6 This guide will enable the development of a more professional, consistent and standardised approach to procurement, which reflects best practice across the University to assist in the achievement of UCA's strategic goals.
- 1.7 Any templates and standard forms referred to in these guidelines can be found in Docshare.
- 1.8 UCA can increase its purchasing power; achieve better discounts with suppliers, as well as making suppliers more responsive to its needs, by working in collaboration with both internal and external stakeholders to aggregate the total volume of demand. Working in a unified, standardised way makes it easier for suppliers to meet UCA's needs and also helps to increase the University's influence and leverage in the market place whilst not forgetting its links with the local community.

## 2. How to find a supplier

**Consortia framework agreements** \*

**Agresso view registered suppliers** \*\*

\* Please see 2.4.2 for information on consortia framework agreements.

\*\* Users should check the Agresso system to see if the supplier they wish to use is registered on it. Once on AgressoWeb, go to Reports/Global Reports/Supplier Enquiries/Suppliers by Category. Select the category you require, then the subcategory to see which suppliers are registered. Direct queries to the procurement team at [procurement@ucreative.ac.uk](mailto:procurement@ucreative.ac.uk).

### 2.1 Supplier Relationship Strategy

UCA's Procurement Strategy includes a commitment to ensuring that it has an optimum mix of suppliers within its database depending upon demand and market conditions. It makes sense to rationalise and standardise some types of supply such as furniture or stationery because this helps to both negotiate lower prices and build stronger relationships with those suppliers. However, there may be times when the University may also have a need to source diverse and innovative new suppliers who can provide products and/or services that are unique or different from standard product offerings. Therefore the number of suppliers that are set up within the supplier database will depend on the needs of the University at any particular time.

### 2.2 Financial, Procurement and Purchasing Systems

UCA currently operates a single financial management system: Agresso, through which all its financial transactions are processed. The Agresso electronic Procure-to-Pay (P2P) purchasing module is used for raising and approving requisitions and emailing purchase orders to suppliers. The Parabilis eMarketplace extension allows staff to access key suppliers' online order sites or tailored catalogues from within Agresso.

Staff wishing to access the Agresso P2P system must first successfully complete the Procurement and VfM eLearning Module in MyUCA.

Contact [procurement@ucreative.ac.uk](mailto:procurement@ucreative.ac.uk) for access or queries on the Module.

Contact [agresso.support@ucreative.ac.uk](mailto:agresso.support@ucreative.ac.uk) for access or queries on Agresso.

### 2.3 Categorisation of Supplies and Suppliers

In order for requisitions and orders to be raised and suppliers to be paid it is necessary to register suppliers on the Finance Agresso system. All new suppliers must be authorised by Procurement before they are added to the Agresso supplier database to ensure that the addition of another supplier is really necessary. (See section 3). Suppliers are category coded

to identify the type of goods or services they supply. This information is a useful aid to sourcing suppliers.

## **2.4 Prioritising Suppliers**

### **2.4.1 Preferred Suppliers**

Suppliers of first choice are those that have been identified by tender/quotation as being the most appropriate source of supply in terms of overall value for money (i.e. an appropriate balance between quality and price). Preferred suppliers are:

- those with whom UCA already has an existing and valid contract (ie listed on the Contracts Register)
- or which have been subjected to further competition following a Framework Agreement by a purchasing consortium such as the Southern Universities Purchasing Consortium (SUPC) or Crown Commercial Services (previously known as the Government Procurement Service) (see below).

However the Head of Procurement must be consulted at the earliest possible stage where any order is likely to exceed £50,000 including VAT as a formal tender may be necessary.

#### **2.4.1.1 Framework Agreements**

Framework Agreements are tendered and awarded in accordance with EU Procurement Regulations to suppliers to provide a particular commodity or service selected on criteria such as capability, competence, stability, sustainability and capacity and satisfy requirements of price, quality and compliance with the standard terms and conditions. The University should then fine-tune its own requirements in terms of quantity etc to conduct further competition between the suppliers listed on the framework. Staff should not use framework agreement suppliers without subjecting them to some form of contest (eg price check as a minimum) unless there is only one supplier shown on the framework agreement or the consortium states in writing that it is contractually acceptable to do so.

Many of the suppliers shown within UCA's supplier database are already suppliers on SUPC or Crown Commercial Services contracts. In using these suppliers the University is more likely to achieve Value for Money (the tenders have been conducted using consolidated members' volumes) and will be meeting its legal obligations under EU / UK Procurement Legislation, and as a consequence is less likely to be open to legal challenge from other suppliers. The use of framework agreements also saves time and offers reassurance as the suppliers have been fully evaluated and that contract performance will be monitored throughout the contract period.

Information relating to these and other University-wide contracts is available on Unibuy [www.unibuy.com](http://www.unibuy.com) or [www.supc.ac.uk](http://www.supc.ac.uk).

Agreements tendered by the SUPC and other university consortia should be given priority over Commercial Services agreements as they are tailored to the specific requirements of Higher Education Institutions.

Framework Agreements for goods and services not covered by the University purchasing consortia should be sought on the Crown Commercial Services website:

<https://www.gov.uk/government/organisations/crown-commercial-service>

**2.4.2 Registered suppliers** are all those which have been previously used by the University and whose records are “live” on the finance system. These will include Preferred Suppliers. Many of these suppliers may have supplied UCA with goods and services on an infrequent basis, and often for low value specialist items that would not need to be exposed to competition through a full Tender action. Given that the University purchases such a wide variety of goods and services the preferred suppliers may not be able to cover all requirements. If so, budget holders should refer to the registered suppliers on the Agresso system (searching Suppliers by Category) for possible sources before requesting that a new supplier is set up.

Note that a supplier which has not been used for over a year may be removed from the database.

### 3. Request for a New Supplier

**Docshare - Procurement – Download “New Supplier Request Form” or “One off Supplier Form”– complete - email to Procurement@ucreative.ac.uk to authorise**

- 3.1 The creation of new suppliers needs to be managed, controlled and categorised according to value and risk so that the number of suppliers does not expand to a point where it makes the procurement process inefficient and ineffective. Therefore Procurement has been given the authority to challenge requests for the addition of new suppliers to the database.
- 3.2 If a budget holder wishes to use a new supplier they must complete a **Request for New Supplier** form. This should be downloaded electronically from the **Staff Portal – Docshare – Procurement – Request for New Supplier Form**. If the supplier is only going to be used on one occasion, the budget holder should note this on the Request Form. These forms should be emailed to prevent unnecessary paper use. Under no circumstances must any commercial commitment be made to the supplier until such time as Procurement has authorised their addition to the supplier database and a purchase order has been approved. If the proposed supplier is an individual, the form must first be sent to Payroll and Payroll's comments must be forwarded to Procurement.
- 3.3 Before asking for a new supplier to be added to the supplier database, the requester should ask himself the following questions which Procurement will also consider:-
- a) Could the goods, works or services be provided by a preferred or registered supplier?
  - b) Has the budget holder complied with the relevant procurement procedures especially in terms of the need to obtain written quotations or tenders?
  - c) Are there any special circumstances at a local level which would support the use of the supplier?
  - d) Where there are existing sources of supply does the proposed new supplier bring better value for money or bring more competitive pricing? (in which case it may be advisable to remove the existing supplier).
  - e) Has an exemption or waiver from the financial regulations been obtained to allow the use of the supplier?
- 3.4 On receipt of the completed Request for New Supplier form, Procurement will assess the request and if approved, will then send the appropriate forms to the proposed supplier to complete. A temporary supplier record will be created within the Agresso system,

but a requisition cannot be raised until the completed supplier forms have been returned by the supplier and processed. Once the completed forms are received from the supplier, the new supplier record will be opened within the Agresso Finance System.

- 3.5** The purpose of the new supplier form is to capture basic information about the proposed supplier to permit an electronic payment record to be set up within the Agresso Finance system, not to fully evaluate a new supplier.
- 3.6** Staff should ensure that all new suppliers are adequately evaluated depending upon the value and risk associated with the contract. They may ask suppliers to complete a Pre-Qualification Questionnaire (PQQ) which is normally used to identify a shortlist before tendering but may also be used prior to the award of any contract. A standard PQQ template is available on the Document Store, but this may need to be adapted to suit the service being procured. Staff should also ask Procurement to conduct a company finance check on any new supplier prior to using them.
- 3.7** If a supplier already holds framework agreement status with a consortium or can prove that it has undergone a formal evaluation process that is recognised by the public sector, such as Constructionline, Exor or similar, then there is no need for the supplier to complete a further PQQ.
- 3.8** Staff should advise Procurement if a supplier's performance has been below standard so that they may be removed from the registered supplier database.
- 3.9** In the event of a dispute between the Head of Procurement and a budget holder over whether a new supplier should be used the matter will be referred to the Director of Finance to resolve.

This process helps safeguard staff and the University against bogus traders by ensuring that all suppliers are appropriately evaluated and vetted and have provided important information such as contact and payment details.

#### 4. Financial Thresholds – When to get written quotes and when to go out to tender. (See also explanatory notes below)

Whole Life cost of resource needed (inc. VAT)	Ensure VfM by
<b>Under £3,000</b>	Use a supplier registered on Agresso or a framework agreement supplier but still ensure the purchase is cost effective.
<b>£3,000 to £24,999</b>	Attach at least two quotes to the requisition a) from suppliers registered on Agresso b) if there are no registered suppliers for this requirement, obtain quotes from framework suppliers c) if there are no framework suppliers, then from suitable external suppliers  All requisitions over £3,000 are routed to Procurement for compliance approval.
<b>£25,000 - £49,999</b>	Attach at least 3 quotes to the requisition as in a) or b) above. If there are no suppliers for the requirement, conduct a tender action, notifying Procurement. Send Procurement a copy of the tender opening record. All requisitions over £3,000 are routed to Procurement for compliance approval.
<b>£50,000 - £99,999</b>	Obtain approval from the Director of Finance. Contact the Head of Procurement before conducting a formal tender to at least 4 suppliers. Staff must ensure Procurement has a copy of the tender opening record. All requisitions over £3,000 are routed to Procurement for compliance approval and quotes must be attached.
<b>£100,000 and above</b>	EU Procurement Directives thresholds may apply. Procedure as above (except minimum of 5 suppliers invited to tender). Obtain Head of Procurement's assistance with tender and ensure Procurement has a copy of the tender opening record. The tender must be authorised by a member of UCA's Leadership Team. All requisitions over £3,000 are routed to Procurement for compliance approval and quotes must be attached.

#### Explanatory Notes

**4.1** The following financial thresholds have been established with the requirement to either obtain written quotations or tenders:-

**4.2 Orders valued under £3,000 including VAT**

The purchaser is responsible for ensuring they are achieving value for money but, where they exist, suppliers who have already been authorised and set up within the Agresso system (registered suppliers)

or framework suppliers must be used. It is good practice to obtain alternative quotations for all purchases.

#### **4.3 Orders valued £3,000 to £24,999 including VAT**

The purchaser must purchase through a supplier with a current contract, if one exists, or obtain at least two written and comparable quotations (letter, e-mail or fax) from registered or framework suppliers. Where a Framework Agreement exists that lists a number of suppliers, then a competition should be conducted between those shown which best match the criteria of the specific requirements of the project or service (see 2.4.2 above for further details).

Note that quotations received should be electronically attached to all requisitions with a value over £3000 inc VAT. If quotations are genuinely not possible, a waiver request must be attached. The requisition will be routed to Procurement for approval to ensure that the purchase is compliant with the regulations.

#### **4.4 Orders valued £25,000 to £49,999 including VAT**

The purchaser must purchase through a supplier with a current contract, if one exists, or obtain at least three formal written quotations. Written quotations must be from either registered or framework suppliers wherever possible (see 2.3 and 2.4).

Where the requirement is particularly complex (eg it requires a separate specification) or the project carries a high degree of risk, it may be beneficial to formally tender the requirement rather than just receive written quotations. The purchaser should contact the Head of Procurement for advice.

A copy of the tender opening record should be sent to Procurement. Quotations received should be electronically attached to all requisitions with a value over £3000 inc VAT. If quotations are genuinely not possible, a waiver request must be attached. The requisition will be routed to Procurement for approval to ensure that the purchase is compliant with the regulations.

#### **4.5 Orders valued £50,000 to £99,999 including VAT**

The purchaser must contact the Head of Procurement at the earliest possible stage to obtain advice and support. A form for the purposes of informing the Head of Procurement of the requirement to go out to tender and the Tender Opening Record can be downloaded electronically from Docshare on the Staff Portal. Tenders must be issued to a minimum of 4 suppliers. Where the goods, services or works have not been tendered for previously i.e. the tender is not for the purpose of renewing an existing contract then a Business Case will need to be completed and approved by the Leadership Team before a tender procedure can commence. A Business Case template and guidelines for completion can be downloaded electronically at the ***Staff Portal /Docshare/Procurement/Business Case***.

Approval should also be obtained from the Director of Finance.

A copy of the tender opening record should be sent to Procurement.

Note that quotations received should be electronically attached to all requisitions with a value over £3000 inc VAT. If quotations are genuinely not possible, a waiver request must be attached. The requisition will be routed to Procurement for approval to ensure that the purchase is compliant with the regulations.

#### **4.6 Orders valued £100,000 or more including VAT**

The procurement process is the same as in 4.5 above although where the requirement is tendered it must be tendered to a minimum of 5 suppliers. Approval should be obtained from a member of the Leadership Team, following the production of a Business Case.

The Head of Procurement must be consulted and involved in procurements of this magnitude and should be present at tender opening.

The requisition will be routed to Procurement for approval to ensure that the purchase is compliant with the regulations.

Where the price is likely to be in excess of approximately £170,000 total over the life of the contract (excluding VAT) for goods or services or £4.3m (excluding VAT) for building works then the tender process has to be fully compliant with EU procurement legislation. The EU Public Procurement value thresholds vary slightly every 2 years, but current thresholds can be confirmed by phone or email to the Head of Procurement. Failure to comply with EU legislation may leave the University open to legal challenge.

**Note that the value refers to the total contract cost. For example, a 4 year contract at £45,000 per year results in a purchase value of £180,000 at which level the EU Procurement Regulations apply.**

It is important to note that tenders subject to EU Procurement Directives involve longer timescales than usual which are not negotiable. Therefore it is important to notify the Head of Procurement of any activities that have a single or aggregate value that is likely to make them subject to EU regulations as soon as possible so that a timetable and resources can be planned.

Undertaking further competition on framework agreements which have already been tendered in line with OJEU requirements is a good way of reducing risk and timescales.

#### **4.7 Recording Procurement Activity**

Staff should retain copies of original written or verbal quotations and tender documents, together with any supplementary paperwork, in either hard or soft copy for monitoring and audit purposes. Quotations should include a date and the staff member's contact details, details of department dealing with the enquiry and of locations to which any particular supplies, services or works are to be delivered.

## 5 Waiver from the need to obtain written quotations or go to tender

Docshare - Procurement – Download “Waiver Request Form” – complete - email to [procurement@ucreative.ac.uk](mailto:procurement@ucreative.ac.uk) to approve in consultation with a member of the Leadership Team.

5.1 A budget holder may apply for and receive a waiver which gives them a dispensation from the requirement to obtain written quotations or tenders for goods works or services where:-

- a) There is a case of genuine emergency for the protection of life or property.
- b) Where effective competition is prevented or where the item required is of a proprietary nature for which there is no suitable alternative.
- c) Where the item has been purchased within the last 6 to 12 months as a result of a fully compliant quotation or tender process and prices are the same or lower.

**A Waiver is not a convenient cover for instances of unprofessional sourcing, poor scheduling, failure to obtain quotations from available alternative suppliers or other non-compliant behaviour. Staff are required to familiarise themselves with the procurement procedures before taking action.**

5.2 In exercising the facility for a waiver in the case of genuine emergency for the protection of life and property the budget holder must retrospectively report the incident to a member of the University's Leadership Team detailing the reasons why they were not able to comply with the requirement to obtain competitive pricing.

5.3 In all other instances where a waiver is required, an e-mailed request must be sent to [procurement@ucreative.ac.uk](mailto:procurement@ucreative.ac.uk) for its authorisation. No funds must be committed until such time as the Head of Procurement (in conjunction with a Leadership Team Member where necessary) has granted such waiver.

## 6. Demonstrating Value for Money

### Docshare - Procurement – VfM

- 6.1** UCA enters into contracts on the basis of how well the supplier meets the requirements for a particular project and provides the most economically advantageous offer in terms of price and quality and overall value for money.
- 6.2** All procurement projects should be planned in such a way as to show how Value for Money can be demonstrated. Details should be provided as to type of VfM benefit and the manner in which this is achieved.
- 6.3** The Higher Education Funding Council in England (HEFCE) and the National Audit Office (NAO) has issued guidelines on how Value for Money can be demonstrated. It suggests that procurement activity and projects should be assessed and reported against five core categories:
- Price Reduction
  - Added Value
  - Risk Reduction
  - Process Re-engineering
  - Sustainability
- These are considered in terms of the 3 E's –
- Economy (cashable benefit)
  - Efficiency (good use of resources)
  - Effectiveness (achieving the desired result)
- 6.4** The Head of Procurement is a member of the Value for Money Group (VfMG) and responsible for co-ordinating and reporting progress against projects and their Value for Money benefits. VfMG papers are then passed to the Audit Committee.

## 7. Procurement of IT – Hardware / Software.

**DO NOT ENTER INTO ANY DISCUSSIONS or CONTRACTS for IT EQUIPMENT WITHOUT FIRST NOTIFYING THE IT SERVICES DEPARTMENT**

- 7.1** All purchases of IT Hardware and Software must be approved by the IT Services Department which works with UCA's Head of Procurement in identifying preferred suppliers for all relevant IT Hardware and Software.
- 7.2** The IT Services Department must approve all purchase orders to ensure:-
- a. That hardware and software is purchased which maintains the integrity of the networked infrastructure.
  - b. That the correct sources of supply are utilised to maintain compliance with all relevant UK and EU Procurement Legislation.
  - c. That software is not purchased which duplicates functionality that can be provided by existing software.
  - d. That hardware is purchased taking into account its environmental impact across its entire lifecycle.
- 7.3** Within the Agresso eprocurement system, all requisitions for IT equipment will be routed via IT Services for authorisation. Otherwise the procedure is the same as for other purchases.
- 7.4** Leased IT Equipment
- In order to manage the hardware renewal programme for IT equipment more effectively, UCA's IT hardware requirements may be procured under an operating lease. This enables a 3 or 4 year replacement programme linked to an end-of-life disposals policy for the equipment.
- This means that the University does not own the equipment but makes instead a rental payment each quarter to the financier in order to use the equipment. At the end of the lease the equipment is valued and a percentage of any residual value is paid to UCA, and offset against the final lease instalment payment. The IT equipment is then returned to the supplier.

**N.B**

Because the University does not own any of the leased IT equipment, it is very important that staff notify the IT Services Department of their requirement and intention prior to placing any orders or entering into any verbal arrangements with suppliers that could result in an implied contract being made.

## 8. CONTRACTS / CONTRACTS REGISTER

**ALWAYS NOTIFY PROCUREMENT OF ANY ONGOING, LONG-TERM or SIGNIFICANT CONTRACT SO THAT THE DETAILS CAN BE PUT ON THE CENTRAL CONTRACTS REGISTER**

- 8.1** Wherever possible UCA requires suppliers to agree to UCA standard terms and conditions of contract. It is important for staff to state that this is the intended basis of any future contract in advance of signing any contract or issuing any purchase order so that the University is not bound by the supplier's terms and conditions. There are exceptions to this where an industry standard form of contract exists e.g. JCT Buildings Works Contracts.
- 8.2** Where a supplier refuses to agree to either the University's terms and conditions of contract by accepting a purchase order or an industry standard form of contract then the matter should be referred to the Head of Procurement if any of the following apply:-
- a) It is a rental or lease contract / agreement
  - b) The value of the contract / agreement will be in excess of £3,000 including VAT
  - c) The contract duration is six months or more.
- 8.3** The budget holder should forward the proposed Contract / Agreement to the Head of Procurement who will review its content and either make recommendations for changes or arrange for it to be signed at the appropriate level.
- 8.4** Budget Holders should send the Head of Procurement copies of all contracts as they are awarded which fulfil one of the following criteria:-
- a) Have a total contractual value of £50,000 or over including VAT.
  - b) Have a duration of six months or more
- Procurement will maintain a Contracts Register of these. The purpose of the contracts register will be to keep an effective record of all major contracts that have been entered into by the University and to allow the Head of Procurement to liaise with Heads of Department / Budget Holders about renewing / re-tendering existing contracts, planning future expenditure, and provide statutory statistical returns to Government bodies where necessary. The contracts register is held in Procurement and updated periodically when staff send copies of new contracts as they are awarded.
- Staff will be asked to review the current register each year to advise of any changes.

- 8.5** Where an existing contract is to be varied by a budget holder and the effect of this variation is to increase the original contract value by more than £25,000 or 10% (including VAT) of the original contract value (whichever is the lesser) then authority to do so must be obtained by e-mailing details to the Director of Finance, copying in the Head of Procurement.
- 8.6** In the event that a budget holder responsible for managing a contract or series of contracts believes that requesting permission to vary contracts as detailed in 8.5 would prove impractical they may seek a waiver from this requirement from the Head of Procurement.

## 9. GIFTS, INDUCEMENTS AND BRIBERY

### OFFENCES UNDER THE BRIBERY ACT 2010 ARE:

1. BRIBING ANOTHER
2. BEING BRIBED
3. BRIBING A FOREIGN OFFICIAL
4. FAILING TO PREVENT BRIBERY

- 9.1 Members, employees or representatives of the University must not accept a gift or consideration of any kind as an inducement or reward for doing or refraining from doing anything in connection with a purchase or contract with the University as this would constitute bribery.
- 9.2 They must also notify the Head of Procurement and the Director of Finance if they encounter any instances of attempted or actual bribery in respect of suppliers **either directly themselves or between third parties.**
- 9.3 The above two clauses are requirements of the Bribery Act 2010.
- 9.4 Guidance on acceptable hospitality is included within the Financial Procedures Manual.

## 10. SUSTAINABLE PROCUREMENT

- 10.1 The University aims to ensure that social and environmental sustainability is incorporated into its procurement practice.
- 10.2 Wherever it is **relevant and practical**, procurement activities should consider the following:
- Minimising greenhouse gas emissions
  - Minimising energy and water consumption
  - Reducing waste produced and enhancing re-use, remanufacture, recycling and recovery of waste
  - Minimising the use of hazardous material and preventing pollution
  - Using sustainable resources and materials (eg timber)
  - Protecting biodiversity
  - Enhancing opportunities for education, training and employment
  - Using fair and ethical supply chains
  - Encouraging SMEs and social enterprises to compete for business
- 10.3 The above should be considered when scoping work, drafting quotations, selecting suppliers and when drafting and managing contracts subject as long as the requirement is relevant and practical.

