

Purchasing Policy (v4.1)

Operational Owner:	Colin Davies, Director of Procurement
Executive Owner:	Phil Grainge, Chief Financial Officer
Effective date:	1 st February 2021
Review date:	21 st January 2021 (Executive Board)
Related documents:	<p>Finance Regulations, Purchase Card Policy, Ethical Conduct Policy, Value for Money Policy, Equality Policy.</p> <p>Documentation supporting the Purchasing Policy can be found on the Procurement pages at: https://surreynet.surrey.ac.uk/staff-services/procurement.</p> <p>Energy Policy, Water Policy and Catering & Waste Policy can be found at: https://www.surrey.ac.uk/about/policies</p>

Approval History

Version	Reviewed by	Approved by	Date
1.6	David Sharkey	Executive Board	27 March 2012
2.0	Robin Hunt	Executive Board	31 July 2013
3.1	Phil Grainge	Executive Board	24 July 2018
4.1	Phil Grainge	Executive Board	21 Jan 2021

1 INTRODUCTION

1.1 Purpose

1.1.1 This policy sets out the parameters for the purchase of all goods, services and works, with the objective of ensuring a cost effective, sustainable and legally compliant approach to purchasing that provides best value for money for the University.

1.1.2 In July 2017 the Executive Board and University Council confirmed the University's status as no longer being a public contracting authority and to undertake procurements outside of the EU procurement regulations (PCR 2015). Our non-contracting authority status is reviewed annually with approval by University Council required. If the University status changes, this Policy will then be amended to reflect the changes.

1.2 Scope

1.2.1 The policy covers all non-pay spend, in respect of the acquisition of goods, services and works in all Departments including research grant funded expenditure.

1.2.2 The policy applies to purchases (defined below) by all employees of the University and its subsidiary companies, including temporary staff, contractors and consultants.

1.2.3 The policy scope covers not just University funded purchases, but also those purchases (usually capital expenditures) funded by other Private and Public bodies.

1.2.4 The policy scope includes Franchising and Concession Agreements involving partner selection.

1.2.5 For consistency of Policy application, the Procurement scope test will include any supplier selection process which would have been within the scope of the PCR 2015, regardless of whether, at the time, the University is within said regulations.

1.2.6 Early Procurement Team involvement in Outsourcing and Insourcing business reviews and outsourcing procurement decisions. Procurement to support the outsourcing options and risk appraisal exercise, before a business recommendation is submitted.

1.3 Definitions

Purchase - means entering into any binding agreement for the acquisition of goods, services, works and utilities on behalf of the University and its subsidiary companies. Such agreements include purchase orders effected through the Agresso purchasing system, purchase card, leases, concessions and any purchase related agreement where the University may be obliged to pay an external organisation.

Flexible Framework - The Flexible Framework is a widely used self-assessment mechanism developed by the Sustainable Procurement Task Force, established through the Department of Environment Food and Rural Affairs (DEFRA) and HM Treasury which provides the framework for organisations to measure and monitor their progress on sustainable procurement over time.

Invitation to Tender (ITT) - a stage in competitive tendering process, in which suppliers and contractors are invited to provide offers for supply or service contracts. An ITT document specifies all requirements of the organisation, including goods, services and timelines, as well as the evaluation process that will be followed.

Social Value - A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and economy, whilst minimising damage to the environment.

Selection Questionnaire (SQ) – Is a pre-qualification stage to inform the procurement process of the suitability of potential bidders to perform against the proposed contract. It confirms bidder experience relating to the proposed procurement or contract. It is designed to also examine the bidders' financial, industry accreditation, sustainability, safety performance and qualifications, amongst other criteria, and could be varied to reflect bespoke priorities.

Whole Life Costing (WLC) – Often referred to as lifecycle cost analysis. In this context WLC is defined as an assessment of operational costs over the life of the asset being procured, including disposal costs, and not just the up-front cost. The financial benefit of what is being purchased can be compared to these costs.

Scope 3 Carbon Emissions – Carbon emissions derived from purchased goods and services including business travel, employee commuting, waste disposal and construction.

2 POLICY PRINCIPLES AND PARAMETERS

2.1.1 Purchasing shall always be undertaken with the over-riding objectives of:

- Securing optimum Value for Money (VfM) whilst balancing risks.
(<https://www.surrey.ac.uk/about/policies#v>)
- Managing risk in both a compliant and effective manner, taking due consideration of the level of risk.
- Using whole lifecycle costing and value in supplier selection, rather than price in isolation.
- Complying with all relevant legislation.
- Ensuring transparency, fairness and non-discrimination in purchasing decisions.
- Ensuring sustainability, modern slavery, socially responsible procurement issues and equality/diversity factors are considered in purchasing decisions.

2.1.2 The University also requires that high level parameters, procedures and processes are in place to embed these principles: see Section 2.3.

2.1.3 The Purchasing Policy reflects that a combination of University level and devolved departmental purchasing is seen as the most appropriate approach to achieve the purchasing and University objectives. Departments must use University level negotiated Preferred Suppliers or Purchasing Consortium endorsed contract agreements (where they exist and provide best value), to harness the purchasing power of the whole University and sector and therefore obtain optimum value for money. The Preferred Supplier list is maintained on the Procurement portal. <https://surreynet.surrey.ac.uk/staff-services/procurement/find-supplier>.

2.1.4 Procurement must be consulted at the earliest stage where Contract value exceeds £100,000 (excluding VAT), as per Appendix 4.

- 2.1.5 Procurement will help determine the optimum procurement strategy and route to market with the relevant department (see Appendix 5).
- 2.1.6 Procurement will help determine whether the University will manage the procurement process itself, or to engage an external contractor or consultant who may be best placed to provide this service under Procurement Team and client guidance.
- 2.1.7 Engagement with Procurement will take broadly one of three routes depending upon the purchase complexity, value, risk level and type, available resource and the internal client's capacity and procurement capability (see Appendix 4):
- Procurement as lead or co-lead with primary responsibility for most sourcing and tendering activities.
 - Procurement as Consultant, which may include specification setting guidance, procurement strategy and route to market, procurement resilience & risk considerations and procurement documentation review and validation.
 - Procurement as advisors, providing ad-hoc advice and guidance only and where Procurement is kept informed as per spend thresholds (see Appendix 4)
- 2.1.8 Savings and efficiencies will be reported to support annual VfM and any current regulatory reporting requirements, as well for internal budgeting, planning and operational purposes. Appropriate metrics and targets will be determined jointly with Finance, Procurement and the Department.
- 2.1.9 Leasing may only be used as a method of purchasing following prior consultation with Procurement and Finance due to implications they have on the University Balance Sheet. Lease contracts generally run over a predefined number of years with a commitment to a third party – normally a Finance Company. Discontinuing an agreement is often not possible without financial penalty, and matters such as title to the residual asset, asset obsolescence and the finance rate need to be carefully considered and compared to outright purchase.
- 2.1.10 All University employees involved in the purchasing process must abide by the University's Ethical Conduct Policy which includes guidance on the acceptance of gifts and hospitality and the avoidance of conflict of interest.
- 2.1.11 Include minimum ethical standards in all tenders (examples include, Modern Slavery Act 2015, Equality Act 2010, Criminal Finance Act 2017, Bribery Act 2010, Waste Electrical and Electronic Equipment (WEEE) Regulations 2006 and others as set out in section 2.2 of this policy).

2.2 Sustainable Procurement

- 2.2.1 The University recognises a responsibility to ensure that where possible the suppliers it deals with share its ambitions to increase resource efficiency, reduce social inequality and promote transparency in its supply chain.
- 2.2.2 Although the University is not a relevant authority for the purposes of the Public Contract Regulations 2015 (PCRs) and as such the Public Services (Social Value) Act 2012 does not apply to it, the University voluntarily wishes to adopt the principles contained therein and consider how procurement of goods or services might improve the economic, social and environmental wellbeing of the relevant geographical area and how, in the procurement, we might go about securing these improvements.
- 2.2.3 In addition, the University of Surrey has been a signatory to the UN Sustainable Development Goals (SDG) Accord since December 2019. The Accord recognises the critical role that education has in delivering the SDGs, in particular the goals around promoting decent work and economic growth, responsible consumption and production, taking action on climate change and fostering more resilient, inclusive and sustainable industrialisation.
- 2.2.4 The University operates a semi-devolved system of purchasing and sustainability considerations should be factored into all purchasing decisions. The University's Procurement and Estates, Facilities and Commercial Services teams are here to help you with these considerations. Specifically, consideration should be given to the following:
- Seek to ensure that procurements are carried out in accordance with the energy policies highlighted in the related documents section. An example in a refurbishment tender would be to ensure that a supplier complies with objective 4 of the University's Energy Policy relating to installation of energy efficient lighting, motors and controls
 - Embed sustainability and social value questions in all SQs and ITTs
 - Identify and prioritise high value, high volume and high environmental impact and social risk spend categories
 - Use whole lifecycle costing in decision-making. As a minimum this should include an assessment of ongoing maintenance, running and disposal costs, in each case with consideration to the environmental impact beyond the initial purchase.
 - How you might measure the sustainability impact of the purchase and be able to demonstrate how sustainability was considered.

In the case of ongoing purchasing partnerships with suppliers, the following considerations should also be made:

- Raise the partner's awareness of the University's sustainability policies and goals. Appendix 8, Sustainable Procurement Policy Statement, will be used in the ITT package, and more generally.
- Work with suppliers to promote and embed initiatives to reduce environmental impact including:
 - Minimising delivery frequency and distance
 - Reducing single use packaging and increase recoverable / recyclable content
 - Reducing carbon intensity of products
 - Encouraging a cradle to cradle approach which considers the end-life of a product and recovery prior to manufacture.
- Work with suppliers to promote and embed initiatives to increase social value including;
 - Inclusion of SMEs and local suppliers / partnerships in the supply chain
 - Exploration of opportunities for student placements, work experience and collaborative research partnerships

- Better understanding and auditing of supply chains, encouraging transparency

2.2.5 Sustainability considerations in purchasing are to be promoted by:

- o Educating, informing and encouraging staff and students to understand the University's purchasing policy and how to deploy sustainable principles in all procurement activities;
- o Providing training for procurement category managers in line with the Government's flexible framework on sustainable procurement and monitor the sustainability impacts of their contracts
- o Addressing any obstacles which could restrict SMEs and local suppliers to bid for any goods/services or works;
- o Question the need for the purchase and the choice of product in support of the University sustainability agenda. The challenge is; does the University need to buy this product or service at all? An example is business travel flights.

2.3 Procurement Parameters

2.3.1 Competitive bidding and tender processes are performed as per Appendix 2 & 4 with Suppliers being appropriately selected and authorised for specific use.

2.3.2 Procurement will lead or co-ordinate the Tender commercial section evaluation.

2.3.3 New Suppliers are only added to Agresso after appropriate due diligence (Financial, Insurance, Health and Safety, IR35, Data Protection, Cyber Security, and for Estates, members of Safety Schemes in Procurement (SSIP)) and Procurement review. Expenditure must not be committed without prior approval by Procurement of the new supplier.

Where [personal data](#) is being processed by or transferred to an external supplier, platform or service provider, compliance with the Data Protection Legislation must be considered and the University's Information Compliance Unit (ICU) consulted (<https://surreynet.surrey.ac.uk/staff-services/information-privacy-and-security/contact-us>).

For **software** including subscriptions to SaaS, cloud-based services or databases, please engage the ICU and the Cyber Security Team to conduct, or advise on, a risk assessment. Procurement due diligence tools and templates, including Supplier Questionnaires can be found at:

<https://surreynet.surrey.ac.uk/staff-services/procurement/policy-and-guidance-information>

2.3.4 Supplier relationships and contracts are managed for financial and non-financial performance.

2.3.5 Formal authorized and signed Contracts are in place as per Resilient Procurement Guidelines. <https://surreynet.surrey.ac.uk/staff-services/procurement/policy-and-guidance-information>

2.3.6 In most cases contracts should be no more than 4 years in duration, apart from exceptional circumstances. Procurement to be consulted in all cases where the contract duration is greater than 4 years and the total contract value is estimated to be greater than £100,000.

2.3.7 Goods and services received are correctly recorded and are fit for purpose and take account of any specific needs of diverse groups at the University for whom they are intended.

2.3.8 Payments are only made for goods and services received, except where full or partial pre-payment has been agreed with Finance & Procurement.

2.3.9 Items purchased by the University for use by individuals are the property of the University and will remain so even after the departure of the individual for whom they were purchased.

2.3.10 Goods and services are purchased only with correct authorisation as per Appendix 2 and Appendix 3 and that no financial commitments are made to suppliers before financial and / or Procurement approval is provided, which is normally via an approved Purchase Order in the Agresso system. This is the No PO No Pay Policy referenced in the University Financial Regulations section 23.2 (<https://surreynet.surrey.ac.uk/staff-services/finance/financial-regulations-finance-policies-terms-and-glossary>)

2.3.11 Raising multiple purchase requisitions for the same or similar goods to circumvent the assigned PO financial approval limits is not permitted. This is commonly referred to as “splitting PO’s” and is strictly non-compliant with this Purchasing Policy and the University’s Financial Regulations.

2.4 Contracting and Conditions of Contract

2.4.1 Where a University level negotiated contract does not already exist, the University of Surrey Standard Terms and Conditions of Contract (T&Cs) should be used when entering into new contracts for the supply of goods or services. For more complex, higher risk or higher value requirements, as defined in the Resilient Procurement Guidelines <https://surreynet.surrey.ac.uk/staff-services/procurement/recent-procurement-updates>, including Estates, University bespoke or industry standard adapted T&Cs may be required and the Procurement or Legal Department should be contacted for guidance. The Supplier’s T&C’s should not be agreed or signed for complex, higher risk or high value (over £100k) contracts without consulting Procurement or Legal Department first.

2.4.2 Guidance on Forms of Contract to be used by Value Threshold

£ Maximum Contract Value (if applicable) **	Estates Works Default Contract Type ***	University Default Contract Type (* <i>formal contracts normally required where high risk identified</i>)
< £25,000	University Purchase Order or ***	University Purchase Order
< £25,000 < £100,000	***	University Purchase Order
< £100,000 > £200,000	***	University Contract
<£200,000 < £1 million	***	University Contract
> £1 million	***	University Contract

- * The “Resilient Procurement Guidelines” should be referred to in determining when a formal signed contract is required (Appendix 6).
- ** £ value’s shown exclude VAT and relate to the Contract Initial Period value and not the annual value alone.
- ***Estates Works related contracts: Several standard, adapted and bespoke Forms of Contract are approved for use in Estates covering Maintenance Services, Minor Works, Major Works and Consulting/Professional Services.
- Please refer to Procurement and/or Estates Directors/Deputy Directors (or their nominated person) on the most appropriate form to use.

Employer Liability	£10 million
Professional Indemnity	£5 million

Where the supplier cannot offer these levels of insurance, then Legal should be consulted for further advice.

- 2.7.2 Existing buildings shall be insured by the University against loss of damage by fire etc. The contractor shall be responsible for insuring new buildings until practical completion.
- 2.7.3 Please refer to the latest Supplier Indemnity and Insurance Guidance issued by the University Insurance Team (<https://surreynet.surrey.ac.uk/staff-services/insurance/liability-insurance>)

3 GOVERNANCE

3.1 Responsibility

3.1.1 Council

Council reserves to itself its powers under the University Statutes in respect of the purchase or lease of land and buildings. In accordance with an agreed Scheme of Delegation, it delegates its other powers relating to purchasing to the Executive Board whose members may delegate to their purchasing authority in accordance with 3.1.6.

3.1.2 Audit Committee

In accordance with its Terms of Reference, the Audit Committee has responsibility for ensuring that appropriate arrangements are in place to promote economy, efficiency and effectiveness (value for money).

3.1.3 Chief Financial Officer

The Chief Financial Officer is responsible for the formal review of Purchasing Policy. The policy is kept under constant review by the Director of Procurement and alterations as necessary are recommended to the Chief Financial Officer. Any questions concerning this policy should, in the first instance, be referred to the Director of Procurement.

3.1.4 Director of Procurement

The Director of Procurement is responsible for:

- Provision of University level negotiated contracts and Preferred Supplier arrangements for the purchase of goods and services by all departments, where aggregation of budget spend yields demonstrable VfM benefit and / or such a contract reduces significant contractual risk to the University.
- Working with Legal to ensure that all material contracts entered by the University maintain and protect the best interests of the University.
- Working with Legal to provide up to date guidance on legislation applicable to University procurements.
- Management of the Procurement Department to provide delivery of a professional purchasing service to departments.
- Providing professional leadership (including co-ordination of training) for staff involved in purchasing and contract management activities throughout the University.

3.1.5 Procurement Department

The Procurement Department is responsible for:

- Provision and publication (distribution and sharing) of preferred supplier contracts, contract information, terms and conditions, and pricing via the Procurement Website.
- Provision of a professional purchasing advisory and facilitation service to include sourcing advice or support on specifications, tendering, tender evaluations, contract negotiation, contracting and contract management,
- Proactively Identifying VfM opportunities in purchasing areas and implementing plans to deliver the benefits identified.
- Utilise a Category Planning and Category Management approach to spend management.
- Liaison and active involvement with consortia (regional and national), Government and public sector buying agencies.
- Responsible for determining the procurement route, tender commercial evaluations and supporting commercial negotiations for all procurements over £100k contract values listed in Appendix 1. Please see Appendix 4 reference a guideline RACI covering Procurement responsibilities.
- Supporting Departments with resolution of service and contractual performance issues where formal contracts are in place.
- Ensuring that Departmental users are supported through the electronic tendering process where appropriate.

3.1.6 Executive Board Members, Budget Holders and Other Staff

Executive Board members have ultimate responsibility and accountability for ensuring that the Purchasing Policy and procedures are applied to all purchases of goods and services within their Faculties/Departments.

Staff who procure good and services are responsible for accurately determining the specification, outputs and outcomes required. Appendix 4 refers to staff responsibilities. This responsibility extends to ensuring the goods and services are fit for purpose and sustainability, modern slavery, socially responsible procurement issues and equality & diversity factors are considered in the purchasing decisions. The Procurement and Sustainability teams will, as required, support staff in these areas.

Executive Board members may delegate their purchasing authority under the Scheme of Delegation. Faculty/Departmental staff to whom such authority is delegated must apply the Purchasing Policy and Procedures to all purchases of goods and services within their defined authority and must not act outside that authority. Failure to apply the Purchasing Policy and Procedures to all individual purchases of goods and services may be treated as a disciplinary offence. Authorisation limits are shown in Appendix 2 and 3.

A written record of all contracts and agreements entered must be retained within the department for audit purposes and potential future contractual challenge.

3.1.7 Implementation/Communication Plan

This policy will be communicated via the Procurement Website, SurreyNet, Leadership Alerts, e-mail and directly to the parties identified below:

Responsible	Accountable	Consulted	Informed
Procurement Department	Deputy Head of Procurement	EFCS for any impact on construction and Estates procurement	All Staff via Policies website
Procurement Department	Director of Procurement	Finance for any impact on finance systems and consistency with Finance Regulations	Staff directly involved in purchasing via Agresso Requisitions email list
Procurement Department	Director of Procurement	Legal Department	

3.2 Exemptions

- 3.2.1 Many purchases can be complex, exceptional, not straightforward and consequently there will be valid exceptions to this policy, particularly regarding tendering thresholds and Procurement Teams role. The following are the required approval routes for permitted exceptions to the tendering and quotation thresholds detailed in Appendix 1:
- 3.2.2 Between £25,000 and £100,000 – Justifications for seeking fewer than 2-3 competitive quotes must be clearly stated in the internal text field of the electronic purchase requisition. Approval will be in accordance with the workflow in the electronic purchasing system. Without appropriate documentation, Purchase Requisitions may not be approved.
- 3.2.3 Between £100,000 and £200,000 – Justifications for seeking fewer than 3 competitive bids, or to avoid use of the University’s electronic tendering portal, must be agreed with the Procurement Department and recorded in the relevant procurement file. A revised formal “Tender Waiver Form” and associated process will be implemented in 2020/21.
- 3.2.4 Above £200,000 – Justifications for seeking fewer than 4 competitive bids, or to avoid use of the University’s electronic tendering portal, must be agreed with the Procurement Director (or Deputy Head of Procurement in their absence) and recorded in the relevant procurement file. A revised formal “Single Supplier Waiver Form” and associated process will be implemented in 2020/21
- 3.2.5 Deviation from this policy in relation to a significant* procurement and/or partner selection must be approved by the University’s Executive Board, taking advice from the Director of Procurement and other stakeholders as required. All other exceptions to this policy must be approved in writing by the Director of Procurement.
*(*significant may be defined in both monetary and non-monetary terms on the advice of the Director of Procurement and the CFO.)*
- 3.2.6 Very occasionally it may be necessary to follow the EU Procurement rules where specific EU Research funding projects may specify following PCR2015 as a condition of the grant award. The University may also, through procurement collaboration with other Universities, voluntarily apply the EU rules.

3.3 Review and Change Requests

3.3.1 The planned review date of this policy is 1st December 2023.

3.3.2 However, interim updates may be required because of:

- Organisational change
- Legislative change
- Process or technology change
- Emerging and/or identified risks to the University and its staff

3.3.3 Where this is necessary the following approval governance will apply:

- Administrative change (e.g. personnel changes in key ownership roles): approval by Operational and Executive Owners are appropriate.
- Allowances and key guideline information (e.g. addition, removal or material maintenance to allowances): approval by Executive Owner and the Executive Board as appropriate.

3.3.4 Suggestions for additional or maintenance to existing allowances will be considered where strong business rationale and benefit is demonstrated and should be referred to the Operational Owner for consideration in the first instance.

3.4 Legislative context

3.4.1 All employees involved in purchasing on behalf of the University must comply with the requirements of all relevant and applicable legislation. This includes, but is not limited to, general duties imposed on the University as a public authority.

Sale of Goods Act 1979 as amended by the Sale and Supply of Goods Act 1994

<https://www.legislation.gov.uk/ukpga/1979/54>

Modern Slavery Act

<http://www.legislation.gov.uk/ukpga/2015/30/contents>

General Data Protection Regulation 2016

<https://www.eugdpr.org/>

Data Protection Act 2018

<http://www.legislation.gov.uk/ukpga/2018/12/contents/enacted>

Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)

<http://www.legislation.gov.uk/uksi/2006/246/contents/made>

Waste Electrical and Electronic Equipment (WEEE) Regulations 2006

<http://www.bis.gov.uk/weee>

Bribery Act 2010

<http://www.legislation.gov.uk/ukpga/2010/23/contents>

The Public Services (Social Value) Act 2012

<http://www.legislation.gov.uk/ukpga/2012/3/notes/division/1>

Equality Act 2010_

<http://www.legislation.gov.uk/ukpga/2010/15/notes/contents>

Criminal Finance Act 2017

<http://www.legislation.gov.uk/ukpga/2017/22/contents/enacted>

FOI Act 2000

<https://www.legislation.gov.uk/ukpga/2000/36/contents>

3.5 Stakeholder Statements**3.5.1 Stakeholders General**

In addition to Procurement staff, several stakeholders have been consulted on this revised Purchasing Policy. This includes management in Estates, IT, Finance, Legal, Internal Audit. The sustainable procurement section was reviewed by the members of the Executive Sustainability Steering Group on the 18th May 2020.

3.5.2 Equality

The University is strongly committed to equality of opportunity. Our aim is to ensure that equality, diversity and inclusion is central to how we function as a community and as a university, providing an equal voice for everyone and actively challenging inequalities and injustice where it exists. Equality Impact Assessment is a process to identify and address structural inequalities and ensure policy and processes have a positive impact on equality.

In the communication of the policy, a full range of media and techniques will be used to promote inclusion. This is essential so as not to discriminate against any member of the University community who may not be able to access or use media in a format.

3.5.3 Health & Safety:

The University has duties under the relevant legislation to ensure the health and safety and welfare at work of all staff, students and visitors, and that its operations do not expose, staff, students and visitors to risks to their health and safety. As such, the principles contained within the University's Health & Safety Policies will apply. For further information please see the University Health & Safety policy <https://www.surrey.ac.uk/about/our-policies>

Appendices

1. Appendix 1 - Quotation and Tendering Threshold Values

<u>Estimated Order or Initial Contract Lifetime Value excluding VAT</u>	<u>Competitive Procedure</u>
Under £25,000	At the discretion of Faculty/Department.
£25,000 to £100,000*	A minimum of 2-3 competitive written quotes is required.
£100,000 to £200,000	A minimum of 3* bidders to be invited to tender.
Above £200,000	A minimum of 4* bidders to be invited to tender.
* £25,000 for RCUK-funded purchases	3 bidders subject to there being enough bidders who are pre-qualified

2. Appendix 2 - Contract Approval Levels

Contract Approval Levels relate to the total £ value (committed or estimated spend), excluding VAT, during the Initial Contract Period (before any planned or unplanned contract extensions) of the Contract and not the annual spend.

Where a formal Contract extension is required, the Contract Variation value is subject to the same Contract Approval Levels and a duly authorised Purchase Order. For the avoidance of doubt, all Contract Extensions (beyond the Initial Contract Period), where the value is over £100k, must be reviewed by Procurement to ensure VfM and contractual compliance.

Please refer to section 13 in the University Scheme of Delegation and Key Decision-Making Authorities for latest approval authorities

<https://surreynet.surrey.ac.uk/staff-services/secretariat-and-legal/corporate-governance>).

3. Appendix 3 – PO Approval Levels

<https://surreynet.surrey.ac.uk/staff-services/finance/finance-resources>

4. Appendix 4 – Guideline RACI covering Procurement Team roles and responsibilities

<https://surreynet.surrey.ac.uk/staff-services/procurement/policy-and-guidance-information>

5. Appendix 5 – Examples of “Procurement Routes” requiring approval by Procurement Team and Budget Holder / Project Manager for £100,000 Contract lifetime value procurements.

Major (not exhaustive) Procurement Steps and Routes:

1. Open Tender: Opportunity is openly advertised to all potential suppliers.
2. Closed Tender: Opportunity is advertised to an agreed list of potential suppliers
3. Pre-Qualification of potential suppliers before Tendering.
4. Formal Market Testing (sometimes known as Soft Market Testing SMT) before finalising Procurement Route.
5. Requests for Proposals: Typically used after some form of SMT where there may be several unknown / unspecified solutions.
6. Direct Negotiation with no tendering: Typically used where single supplier only exists, or where Business urgency dictates that, even though procurement related VfM may be compromised, expediency is more important. Strong business case, via the Tender Waiver process, required to use this route.
7. Direct Negotiation with no tendering: as per 6. When a limited number of suppliers only exist, and negotiation process can exert competitive pressure to drive VfM.
8. Negotiation post Tendering: Normally used where the tender exercise has resulted in one or two preferred bidders to negotiate with.
9. University Preferred Supplier lists where demonstrated that approved suppliers can meet requirements.
10. University approved Frameworks (e.g. University Consortia; Crown Commercial Services etc.) and how the Framework is used (e.g. mini competition; direct award etc.)

6. Appendix 6 – Resilient Procurement Guidelines

<https://surreynet.surrey.ac.uk/staff-services/procurement/policy-and-guidance-information>

7. Appendix 7 - A revised formal “Tender Waiver Form” and associated process will be implemented in 2020/2021

8. Appendix 8 – Sustainable Procurement Policy Statement



University of Surrey Sustainable Procurement Policy Statement

The University recognises that its supply chains have a significant environmental, social and financial impact. The purpose of this policy statement is to set the objectives that the University wishes to meet to measure and reduce the environmental impact and leverage the social impact of its supply chain alongside its continued commitment to delivering **value for money**.

Our procurement policy on sustainability has three guiding principles:

- **Embed sustainability in the procurement process and monitor and report on progress and impact.**
- **Establish collaborative partnerships with suppliers aimed at improving environmental sustainability and social value whilst ensuring value for money.**
- **Work with internal stakeholders and contract managers to provide training and knowledge to successfully deliver the objectives of the procurement policy.**

We will do this by prioritising resources and considering the following principles and objectives.

1. Prioritise high value, high volume and high-risk categories of spend for embedding sustainability;
2. Embed sustainability and social value questions in all SQ's and ITT's with an initial focus on procurements with a value more than £100,000;
3. Use whole lifecycle costing as a decision-making tool in procurement exercises;
4. Measure and report the University's carbon emissions on an annual basis
5. Identify suppliers with the highest potential risk in terms of environmental and social sustainability, and focus on reducing impacts;
6. Provide training for procurement category managers and contract managers in line with the government's flexible framework on sustainable procurement;
7. Educate, inform and encourage staff to understand the University's policy and deploy sustainable principles in all procurement activities.

Appendix 9: Key Points – Two-page version of the policy

The Purchasing Policy's objective is to encourage a whole life cost, sustainable, risk managed and legally compliant approach to purchasing that provides best value for money for the University.

The University is no longer a public contracting authority and now undertakes most procurements outside of the EU procurement regulations (PCR 2015).

All University employees involved in the purchasing process must abide by the University's **Ethical Conduct Policy** which includes guidance on the acceptance of gifts and hospitality and the avoidance of conflict of interest:

<https://surreynet.surrey.ac.uk/sites/default/files/2019-12/ethical-conduct-policy.pdf>

Staff are required to understand the University's Purchasing Policy including the section on **sustainability** and deploy sustainable principles in all procurement activities. Click link: ()

Sustainable Procurement)

Departments must use University level negotiated **Preferred Suppliers** or Purchasing Consortium endorsed contract agreements (where they exist and provide best value), to harness the purchasing power of the whole University and sector and therefore obtain optimum value for money. The Preferred Supplier list is maintained on the Procurement portal. <https://surreynet.surrey.ac.uk/staff-services/procurement/find-supplier>.

Where a new University Supplier is required, appropriate and proportional **Due Diligence** should be conducted: For higher value and / or more complex procurements, the Procurement Team will either lead, support or advise on the required due diligence.

Where [personal data](#) is being processed by or transferred to an external supplier, platform or service provider, compliance with the Data Protection Legislation must be considered and the University's Information Compliance Unit (ICU) consulted (<https://surreynet.surrey.ac.uk/staff-services/information-privacy-and-security/contact-us>).

For **software** including subscriptions to SaaS, cloud-based services or databases, please engage the ICU and the Cyber Security Team to conduct, or advise on, a risk assessment.

Procurement due diligence tools and templates, including Supplier Questionnaires can be found at: <https://surreynet.surrey.ac.uk/staff-services/procurement/policy-and-guidance-information>

Procurement must be consulted at the earliest stage where Contract lifetime value exceeds £100,000. Procurement will help determine the optimum procurement strategy and route to market.

Engagement with Procurement will take broadly one of three routes:

- Procurement as **lead or co-lead** with primary responsibility for most sourcing and tendering activities.
- Procurement as **Consultant**, which may include specification setting guidance, procurement strategy and route to market, procurement resilience & risk considerations and procurement documentation review and validation.
- Procurement as **advisors**, providing ad-hoc advice and guidance only and where Procurement is kept informed as per spend thresholds.

For all purchases and formal contracts over a value of £25,000, but under £100,000, 2-3 quotations must be received, unless there are valid exceptions, which must be documented in Agresso comments field and approved by Procurement. Click link: ([Appendix 1 - Quotation and Tendering Threshold Values](#))

For all **formal contracts** valued at over £100,000 (lifetime value) Procurement must be consulted at the earliest possible stage, and certainly before any explicit written or verbal, or implicit commitments are made to a supplier. **Tendering** will be the default procurement route, but other avenues will be explored especially where the purchase is deemed business critical and urgent, or for other valid reasons. An agile but robust procurement route will be agreed where urgency is paramount. Click link: (

Appendix 5 – Examples of “Procurement Routes” requiring approval by Procurement Team and Budget Holder / Project Manager for £100,000 Contract lifetime value procurements.

Goods and services are purchased or committed to, only with the correct authorisation in advance, which is normally through an approved Purchase Order via the Agresso system and / or duly authorized signed contract. The **No PO No Pay Policy** in the University Financial Regulations section 23.2 refers (<https://surreynet.surrey.ac.uk/staff-services/finance/financial-regulations-finance-policies-terms-and-glossary>)

Raising multiple purchase requisitions for the same or similar goods to circumvent the assigned PO financial approval limits is not permitted. This is commonly referred to as “**splitting PO’s**” and is strictly non-compliant with this Purchasing Policy and the University’s Financial Regulations.

A University Purchase Order which incorporates the standard T&C’s, on many occasions will be sufficient to contract. There will be purchases however where a formal signed contract is required to further protect the University’s interests. **Formal signed contracts** / agreements are typically required when:

- Contract lifetime Value is > £100,000
- High Supply Chain / Operational related risks
- High Regulatory / Compliance / Intellectual Property related risks
- General Data Protection (GDPR) and / or Cyber Security related risks apply
- High Reputational related risks including Modern Slavery.

Click link: (<https://surreynet.surrey.ac.uk/staff-services/procurement/policy-and-guidance-information>)

Suppliers may still seek to impose their own Conditions of Contract. Purchasers should review carefully a supplier’s proposed conditions, and, in the case of discrepancy with the University T&C’s, or if in doubt about the implications of a supplier’s conditions, must consult the Legal or Procurement Department, before agreeing to them in a formal binding contract.

Where a formal **Contract extension** is required, the Contract Variation value is subject to the same Contract Approval Levels and a duly authorised Purchase Order. For the avoidance of doubt, all Contract Extensions (beyond the Initial Contract Period), where the increased value is over £100k, must be reviewed by Procurement to ensure VfM and contractual compliance.